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# ***JPRS Report***

## **East Europe**

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# East Europe

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11 August 1992

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### Problems Facing Bulgarian Minority in Yugoslavia

92BA1138A Sofia DUMA in Bulgarian 15 Jun 92 p 6

[Article by Goran Gotev, in Belgrade: "Let Us Recognize Serbian Yugoslavia but..."]

[Text] *An international blockade has been imposed on Serbia and the Federal Republic of Yugoslavia, which was proclaimed on 27 April. For the first time after World War II, a European country has been declared an aggressor. There are threats of lengthy quarantine and barriers for excluding the country from the United Nations, the SSSE [probably CSCE], and other international bodies and organizations. Should the war continue, Brussels intends to enact strict economic sanctions, such as a full trade embargo, the freezing of holdings and properties abroad, and the terminating of communications between that country and Western Europe.*

Until the present, Bulgaria's foreign policy was guided by the behavior and actions of the EC. In the case of Macedonia and Bosnia-Herzegovina, however, our position was accurately consistent not with the European consensus but with the national interests and principles of peace and good-neighborly relations in the Balkans.

Serbia has been our neighbor for many centuries. We are linked by a close geographic proximity, a common Slavic origin, and common (tragic) events. Reciprocal hostility, which antinational regimes tried to instill in our nations, did not go beyond the limits of the regime media and ruling circles. Bulgarians and Serbs have always felt like and have even called each other brothers. The wars that were imposed upon us, in which, in turn, we were either aggressors or victims, were unable to darken our ethnic closeness.

It would be a fatal error if, for the sake of Macedonia and Bosnia, we had not listened to Europe and if now we follow Europe strictly. Bulgaria must recognize the new Serbian-Montenegrin Yugoslavia. However, as is also the case with Macedonia, this neither occurred nor should occur in the sense of issuing a "blank check." We have no arguments with the Serbian people, but we do with the Serbian Government. For many years, such arguments were ignored or belittled. Now they must assume the main role in relations with our western neighbor. We are bound to engage in reciprocal trade, and our trade will increase because the proximity of our territories and mutually complementing economic potential facilitates such trade. We are bound to establish closer contacts ever more freely and increasingly, without any biases or prejudices. However, all of this would be inconceivable without a well-intended, durable, and definitive determination of the status and guarantees applicable to the rights and freedoms of Bulgarians living in Serbia. Currently, no one can say exactly what their number is—whether 20,000, 50,000 or 100,000—because all previous censuses took place under

the conditions of a regime based on assimilation. Whatever the number of Bulgarians may be, the number neither presents nor could present a threat to Serbian national interests.

It is time for Belgrade to stop, once and for all, looking at the modest and famously industrious Bulgarians in the Pirot, Bosilegrad, and Tsaribrod areas as a fifth column. They have never been such and, in a free Europe, no one would ask them to become one. However, these Bulgarians have the right to live under the sun of Serbia or Yugoslavia. They were deprived of their schools in the Bulgarian language, and today Bulgarian children are learning their native language as a second language and only for two hours weekly, taught in Serbian schools. Even their hospital was moved from Dimitrovgrad to Pirot, so that the parents of children born there would not dare to register them as Bulgarians.

The Serbian parliament has always included representatives of other ethnic groups. However, it has never included nor does it now include or hope to include a Bulgarian deputy. Bulgarians who would like to develop professionally are forced to change their Bulgarian names. This "revival" process has been going on for more than 70 years. Members of the intelligentsia who wish to keep their names have only two ways open to them: either become police helpers of the regime in its "work" among Bulgarians, or accept the hard and sad destiny of being eternally threatened with losing their jobs and professional careers. That was exactly the case in which the Democratic Union of Bulgarians in Yugoslavia was deprived of its leadership. With the introduction of the new Serbian name system, Bulgarians are being "legally" deprived of their Bulgarian names. For example, a woman named Ivanova now must become Ivanov, similar to the names of many Serbian women living in Bosnia. In Bulgaria, this would sound both ridiculous and absurd.

Unfortunately, in this area, as well, the war assumed a Bulgarian dimension. Increasing numbers of Serbian refugees from Croatia are being settled in areas inhabited by Bulgarians, thus introducing Serbianism into Bulgarian ethnic territory. Various official organizations are tirelessly engaged in collecting aid—that is, so-called assistance for a war that Serbia is not officially waging. However, woe to any Bulgarian who refuses to make a contribution, which is taken out of his already depleted pocket. Throughout the war, the Bulgarians were among the first to be sent to the front line.

However, something else exists, as well. The border is only 40 to 50 kilometers from Sofia, yet Bulgarian settlements do not receive even a single Bulgarian newspaper or Bulgarian book. Let us not even mention the possibility of having a Bulgarian cultural institute, public library, or theater.

Therefore, let us recognize the Federal Republic of Yugoslavia! Before recognizing it, let us start talking, let us settle anything that divides and pits us against each

other. Let us secure for our Bulgarian brothers at least the rights which are enjoyed in Serbia by Gypsies, Albanians, and Wallachians.

And something else: Serbia has recognized de facto the right of Hungary to be concerned with the situation of Hungarians in Vojvodina, and of Albania to establish contacts with Albanians in Kosovo. This existed even in Tito's time. After so many years, has not the day arrived for Bulgaria also to be granted the right to be concerned for its compatriots in the western areas, where even the fiercest possible assimilation policy has been unable to clear away the Bulgarian population, loyal to its roots and language?

#### **Berisha Comments on Albanians in Macedonia**

92BA1140A Skopje NOVA MAKEDONIJA  
in Macedonian 17 Jun 92 p 3

[Interview with Albanian President Sali Berisha by Pande Kolemisheski, director of the NOVA MAKEDONIJA NIP (expansion unknown), Georgi Haanovski, editor in chief of NOVA MAKEDONIJA, and Fejzi Bojku, editor in chief of FLAKAE VLAZERIMIT, in Tirana; date not given: "For a Peaceful and Stable Balkans"]

[Text] *The Balkans have paid a high price for various nationalisms. They must promote a process of integration. The recognition of Macedonia by Albania is a bilateral question. Who can assimilate another group today, when all rights are sanctioned by international agreements and treaties? Albania is in favor of respect for permanent borders but also asks that Albanians in Kosovo be given the right to secession and self-determination.*

*Recently, Sali Berisha, president of the Republic of Albania, gave an interview in his presidential office in Tirana to Pande Kolemisheski, director of the NOVA MAKEDONIJA NIP [expansion unknown], Georgi Haanovski, editor in chief of NOVA MAKEDONIJA, and Fejzi Bojku, editor in chief of FLAKAE VLAZERIMIT, with whom he had a one-hour session and answered a number of questions related to the current political situation in Albania and to Macedonian-Albanian relations.*

President Sali Berisha, who began by expressing his satisfaction with this opportunity to see and discuss matters with press representatives of the Republic of Macedonia, said, among other things:

"I believe that good-neighborly relations are particularly important here in the Balkans because we, the population of this peninsula, should be proud of our common past. However, we must also be aware of the problems we face and must struggle daily against various isms and atavisms. This is in our common interest, in the interests of our children and our joint future, as well as of the peninsula as a whole. Several days ago, I had a very warm and fruitful meeting with President Gligorov. We are following the activities of Macedonian political parties with particular attention. I can say that political

forces in Macedonia and Kosovo have displayed exceptional ability during this period, with their ability, through political steps, to eliminate a number of conflict situations that could have spread throughout the Balkan Peninsula and cost many human lives.

The visit of President Gligorov opened a new way and a new future for our reciprocal relations. I was able to consider and appreciate the steps that must be taken to strengthen real democracy. We shall struggle for a united Balkans without borders.

[NOVA MAKEDONIJA] Mr. President, could you evaluate your activities for the past two months as the Albanian leader and the current situation in Albania and its priority tasks?

[Berisha] As you may see, Albania's situation is quite difficult. The country is facing substantial economic difficulties. I can say that, prior to the electoral victory, we found ourselves at a precipice, carrying the entire burden of the past on our shoulders. We have left behind a system and a world we must abandon as quickly as possible. We must put an end to isolation and the consequences of that isolation. Albania indeed faces many difficulties, but it also has substantial resources. As we know, it is very rich in natural resources. It has inexpensive manpower that is relatively skilled, and, in a number of sectors, it has good conditions for developing initiatives and creating legislation that will enable us to utilize such resources and additional values. These are some of the prerequisites for surmounting the difficulties. Another major priority item is completing the building of democratic institutions. The development of democratic institutions calls for observing the Helsinki stipulations because the Balkans have paid a high price for their nationalisms. It must undertake the process of integration, but strictly on a fair basis, which, in turn, requires truly democratic institutions.

The economic reform also offers a major advantage. In the same way that they celebrate the holidays of Bajram and Kurban and religious sacrifices, the people must be prepared to make sacrifices for the sake of a better future, which must come about. That is why we have firmly resolved to promote economic reform. Another one of our tasks is political stabilization. We Albanians must struggle to become a significant factor for stability in the Balkans. Albania must develop economically in order to become economically stable and to establish political institutions that will ensure its political stability.

[NOVA MAKEDONIJA] You mentioned the significance of the recent visit paid by Kiro Gligorov, the president of the Republic of Macedonia, and the discussions he held with you. These discussions drew the extensive attention of the Macedonian public, which considered them a contribution to joint efforts leading to the creation of new relations and cooperation between our two closest neighbors. However, there were also

hostile comments on the discussions by some neighboring countries. Your statement of Balkans without borders, for example, was interpreted by the Greek press as a theory that could threaten the future of the peninsula, and you were described as the "Skopje advocate." What is your reaction to that?

[Berisha] I am confident that that is not the actual way in which Greek state policy is developing because Greece has quite strongly linked itself to the European Community. Such reactions are a part of atavistic Balkan concepts. My statement that we shall offer dual citizenship to Albanians outside Albania was also subject to a variety of interpretations and reactions. I am prepared to do the opposite, as well, with anyone who is willing: We could provide dual citizenship to Macedonians, Greeks, and all other minorities living in Albania, with no strings whatsoever. These are principles of democratization, and such principles cannot be of a destabilizing nature. This was very positively welcomed throughout the world. Look at who is waging war in Europe today. The only dictatorship that still remains is that of Milosevic.

[FLAKAE VLAZERIMIT] You expressed your readiness to recognize Macedonia in the immediate future, without any particular conditions. Yet, your prime minister, Mr. Aleksander Meksi, said on Greek television that such recognition of Macedonia on the part of Albania will depend, above all, on its attitude toward the Albanians, who must be treated as a constituent part of its statehood.

[Berisha] The existence of Macedonia is a reality. We were the first to ask the other countries to recognize it, being convinced that, as a recognized country, it would become a factor of stability in the area. The recognition of Macedonia by Albania is, above all, a bilateral and not a multilateral question. Albania does not threaten anyone, and good Albanian-Macedonian relations are not a threat to anyone. I cannot conceive of anyone thinking that Albania would deny the existence of its age-old neighbor.

[NOVA MAKEDONIJA] You mentioned the minorities that must become a bridge for cooperation. Unfortunately, however, it is the opposite that always prevails: They are the reason for various divisions and political conflicts and even for armed conflicts.

[Berisha] I have always been and will remain a supporter of minority rights. I take as an example the Greek minority living in Albania. I believe it would be a most natural thing to ensure it with all the rights stipulated in international standards. Any kind of fear or division in this area I view as absurd. For thousands of years we have lived together, and we have not become reciprocally assimilated. Who could assimilate anyone else today, when all human rights are sanctioned with so many international agreements and treaties? The same could be said of the Macedonian minority living in Albania or about any other minority.

On the other hand, the Albanians in Macedonia must become a factor of stability in Macedonia. They must realize that this is important not only for themselves, but also for all the ethnic groups in that area. Naturally, the Macedonian political forces must be ensured all the rights to which they are entitled in accordance with the Helsinki stipulations. I believe that all such problems can be resolved through dialogue. We welcome with pleasure the news that the information media in Albanian in Macedonia are being given broader scope and are heard better. When we speak of minority rights, I believe that certain changes must be made in the Macedonian Constitution, something that would be to the benefit of Macedonia itself. As for the development of education, I disagree with those Albanians who do not want their children to be taught in separate schools or in some educational institutions, such as military and security training establishments or some others for which either there are no schools or there are no conditions for providing instruction in the Albanian language. All of the possible rights that exist must be used. I cannot accept the refusal to attend any kind of school in Macedonia where the possibility to learn exists. Nonetheless, I am an optimist about matters developing essentially toward improvement. I am fully convinced that the day is near when a natural closeness will develop from the Adriatic to the Black Sea in the same way that this entire region is physically close.

[NOVA MAKEDONIJA] Do you believe that the Macedonians here enjoy the same rights as Albanians in Macedonia?

[Berisha] I think the Macedonians are enjoying all such rights and the rights they can have, based on the present level of development. However, if there are some obstacles and shortcomings in this area, you can rest assured that they will be corrected and that their rights will be granted to them in their entirety. I cannot tell you that we shall open a university for such a small minority, but I would be very proud if something of that kind were to happen, or if such people wished to go school in the Republic of Macedonia. I cannot conceive of any restrictions in the development of the minorities other than the limitations imposed by economic conditions and possibilities.

[NOVA MAKEDONIJA] In Macedonia and Albania, whenever there was a question of Macedonians, it applied essentially to the Macedonians living in Presna. What is the situation with Macedonians living in other parts of Albania, who are also beginning to demand their rights?

[Berisha] I accept and recognize as Macedonians those who feel they are and proclaim themselves to be Macedonians, regardless of who they are or where they live. I am in favor of the free movement of people, and I am totally convinced that this would be a question that would be resolved very quickly in talks between Macedonia and Albania.

[NOVA MAKEDONIJA] What are your views concerning a trend toward creating a Greater Albania and the slogan "Everyone is an Albanian in the so-called Republic of Ilirida, which is within the Macedonian borders"?

[Berisha] Albania strictly supports the Helsinki principles. Albanians in Albania or wherever they may live throughout the world should enjoy their full human and national rights. Albania respects permanent borders but also demands that the Albanians in Kosovo be granted the right to self-determination and secession. That is why we are not calling for a revision of the borders. As to our views on Macedonia, they were expressed repeatedly and publicly, and I do not think they should be the subject of a special comment.

[Box, p 3]

#### A Man of Hope

This discussion with President Sali Berisha took place immediately before his departure to the United States. Although concerned with numerous obligations and requests to see a variety of delegations, private businessmen, and foreign newsmen, he nonetheless made time to see guests from Macedonia.

Although his leg has not healed entirely, President Berisha gave the impression of an energetic and open person, a powerful, dynamic personality with a realistic sense of the situation in which Albania finds itself, but also with a clear vision of the role of Albania in the Balkans and, on a broader scale, in Europe.

The presidential office is opposite the Congress Center, in the immediate vicinity of the former residence of Enver Xoxha, into which Berisha refused to move after his electoral victory, continuing to perform his daily tasks in rather modest premises in front of which people coming from various parts of Albania wait to see him.

He was born 47 years ago in a village in the Tropoja area in northern Albania. By profession he is a cardiologist. He was Enver Xoxha's personal physician. In the April elections, his Democratic Party scored an impressive victory. He is in favor of a market economy and the free movement of people and ideas, and of resolving problems through dialogue as well as integration with Europe. He is known as a "man of hope." On the subject of political pluralism, he has said, "Let us have opposition, but also brotherhood." He lives in public-housing premises with his wife, who is a physician. His daughter is a law student, and he has a son in grammar school. He speaks four foreign languages.

The greatest number of Albanian colleagues with whom we met had high respect for him and value him, emphasizing his exceptional modesty and honesty. It is said that even his political opponents were unable to fault him in this respect.

Berisha's supporters do not conceal their concern at the difficulty of the burden they inherited from Ramiz Alia. They face a tremendous responsibility because Albania is like a sinking ship. One does not know whether it is better to patch it up or to start building a new one. According to Sali Berisha, Albania has no solution other than to start from the beginning. However, will the poor have enough patience to do so?

#### Turkish Nationalist Visits Kosovo, Macedonia

92BA1177A Skopje NOVA MAKEDONIJA  
in Macedonian 24 Jun 92 p 2

[Interview with Mehmed Koca, press representative of the Turkish Nationalist Labor Party, by Nevenka Mitrevska; place and date not given: "Macedonia Deserves To Be Recognized; Meeting With Mehmed Koca, Journalist and Special Emissary"]

[Text] *Joint humanitarian action of the Macedonian and Turkish workers in Germany. Twenty-five tanks and 5,000 Serbian reservists "defend" Novi Pazar: The Muslim leaders fear a massacre, the Serbian ones fear a transfer of the war from Bosnia. Many reasons for sympathy and supporting Macedonia's endeavor to gain international recognition.*

Mehmed Koca is press representative of the Nationalist Labor Party, the leader of which is the well-known Turkish politician Alpaslan Turkes. He traveled to our republic from Germany last week as a kind of representative of the Macedonian and Turkish guest workers, who, jointly through the "Vardar" humanitarian organization, are carrying out a great collective action of medicines and clothes for Macedonia. In his pocketbook, Mr. Koca also brought a personal message to the president, Kiro Gligorov, from the Turkish politician Alpaslan Turkes. In the meantime, before the end of last week, he went by bus across Kosovo to Sandzak, and here are his impressions from there:

[Koca] The first thing I noticed when we crossed the Macedonian border into Kosovo was the large number of policemen and the small number of soldiers. As we got closer to Sandzak, the number of policemen decreased, but the number of people with beards, clothed in military uniforms, increased. Along the road, the Serbian police inspected us twice. The bus was emptied. They asked me why I was traveling to Sandzak, and they searched all of my things. In Novi Pazar, bearded soldiers move in the streets in groups. Gun barrels from tanks keep watch on the hills in the region.

[Mitrevska] He shows us photographs. In one are three reservists, smiling, in the street. In another there is a dark hill, on the edge of which the silhouettes of tanks are clearly recognized.

[Koca] I visited the offices of the SDA [Party of Democratic Action] and the MBO [Muslim Bosniak Organization]. The people are very uneasy. They informed me that they fear a massacre. There are at least 5,000

soldiers in the city and 25 tanks on the hills in the district. The SPS [Socialist Party of Serbia] assured me that there is no danger of a massacre: But it is possible that the war may move from Bosnia to Sandzak, and therefore these measures were taken.

I was in a house with 10 women who had fled from Bosnia. The husbands of all of them were killed. They were captured and locked in some room along the highway into which a bomb was then thrown. They told me about entire Muslim villages in Bosnia that were razed, and about days, weeks, and months spent in fear, hunger, and filth....

[Mitrevska] On returning to Skopje, it so happened that Koca traveled with these same women.

[Koca] Between Kosovo and Macedonia, there are two borders. It struck me that the Serbian police from that side of the border allow refugees to pass without any problems. They did not look for passports or other documents, as if they wanted only to watch them as they passed by. The Macedonian border officials, meanwhile, took the women down from the bus. "We cannot accept them", they said. "They do not have documents, and there is no longer any place in the hostels." Knowing what these women had gone through, I got involved. I introduced myself as a Turkish journalist. I gave my word that, if they could not be accommodated in Macedonia, I personally would guarantee that they would be transferred to Turkey. After some time they allowed the journey to continue. I was furious. I could not understand how the Macedonian authorities could not give shelter to people who are running from death.... I had to visit some of the overfilled hostels for refugees around Skopje before I understood: For Macedonia, with its approximately 2.5 million inhabitants and an economy in crisis and these 25,000 to 30,000 refugees, it is already bearing an enormous burden.

Now I still am convinced of the need for serious discussions between Macedonia and Turkey and of the collective acknowledgement of the problem, of Sandzak and of the refugees, by the United Nations. It will be enough for

only one cannon to fire in Sandzak, and Macedonia will be hit with a new wave of about 350,000 refugees.

[Mitrevska] About his visit to Macedonia Koca says:

[Koca] I delivered the recommendation from Turkes to your president to Cabinet officials. I am using this opportunity to say a word or two more in connection with this. Alpaslan Turkes has been active in Turkish political life since 1960. His Nationalist Labor Party has 19 members in the current parliament, who are not in opposition to the government of Demirel. On the contrary, Demirel and Turkes are old friends, and, in addition to this, Turkes has a wide circle of acquaintances and significant influence in the Muslim republics of the former Soviet Union, which I think may be useful for expanding the circle of countries that soon will recognize Macedonia.

Macedonia has to obtain international recognition because it deserves it. Personally, whenever I get an opportunity to do so, both in Brussels and in Turkey, I try to explain the problem of Macedonia.

[Mitrevska] Why?

[Koca] For many reasons. First, because the Turks are not discriminated against in Macedonia and never experienced what they experience in Bulgaria. The existence of the journal BIRLIK and radio and television broadcasts in the Turkish language are evidence of this. The confession of faith is not denied them. This is, I suppose, a mutual gain: The Turks in Macedonia showed themselves to be loyal citizens of this country, and, therefore, they enjoy all rights.

Besides this, with the dissolution of Yugoslavia, only the Republic of Macedonia has been denied recognition, and that only because of the opposition of Greece. The indignation I feel because of this injustice is only increased by the recognition that Greece is behaving toward Macedonia just as it behaves toward the Turks in Western Thrace and Cyprus.

Is it necessary to add more reasons? This visit only contributed to increase my sympathy toward Macedonia and my decision to continue to give my personal support, within the scope of my abilities, toward faster and broader international recognition of your country.

**ODS Leaders Discuss Concept of New Government****Bratislava Agreement**

92CH0739A Prague TELEGRAF in Czech  
23 Jun 92 p 3

[Interview with Filip Sedivy, ODS deputy to the Federal Assembly, by Lucie Staudova; place and date not given: "The Path of Federation Is Open"]

[Text] Deputy to the FS [Federal Assembly] Filip Sedivy, who has been nominated by the ODS [Civic Democratic Party] for the office of vice chairman of the FS, also participated in the nighttime Bratislava coalition negotiations between the HZDS [Movement for a Democratic Slovakia] and the ODS.

[Staudova] How do you evaluate the results of almost 14 hours of Friday [19 Jun] coalition negotiations in Bratislava?

[Sedivy] In Bratislava we negotiated for almost 25 hours, if we count in the Thursday discussions of the experts. All the main questions of the future state were covered. The discussions were mainly about a political agreement and the proposal for the principles of a program announcement of the federal government. There was again great disagreement about the question of the legal composition of the state, where the ODS insists on carrying out its campaign platform—to lead the state to prosperity in two possible variations, either as a sensible federation or in separate states. Even if there is a division of the state, we have an open door for further negotiations and cooperation.

[Staudova] In connection with this, how do you look on the declaration by the OH [Civic Movement], LB [Left Bloc], and CSSD [Czechoslovak Social Democratic Party] that the parties which won in the elections do not have a mandate to breakup the republic?

[Sedivy] I saw the announcement of the chairman of the KSCM [Communist Party of Bohemia and Moravia], Mr. Svoboda, which seemed to me to be a positive evaluation of the negotiations, similarly with those of Daniel Kroupa (editor's note: ODA [Civic Democratic Alliance]) and Jan Kasal (editor's note: KDU-CSL [Christian Democratic Union-Czechoslovak Peoples Party]). I think that there is no other path than the one which the ODS has taken. The path of new commissions and further studies has already ended. We insist on a rapid solution to the entire problem. Any kind of uncertainty is a signal, especially to other countries, that not everything is in order with our republic.

[Staudova] What is the reason for the exaggeration and simplification on the part of the foreign journalists?

[Sedivy] It is a result of the current status of Europe where the worst possible kind of breakup of states is taking place. The catastrophic ideas of the foreign journalists spring from that.

I am convinced that the HZDS and the ODS are capable of not allowing that to happen and of parting peacefully. There is still the possibility here of arriving at a federal function. People often wrongly speak of the fact that there is no road back to federation. Even though we have just reduced the government by five ministries, there is still that possibility. But I am not able to say how realistic it is.

[Staudova] The chairman of the ODS, Vaclav Klaus, sees the solution of the legal composition of the state in an agreement between the national councils. What does that treaty mean?

[Sedivy] We are capable of reacting to such a treaty by the FS carrying out certain legislative steps. The authority of the federation would pass to the national councils and a division would in fact take place. A referendum would be part of the second step in which a decision would be made about further cooperation between these two countries. The separation can be done without a referendum according to the current legal regulations.

[Staudova] That treaty would be an interim one until the referendum is called?

[Sedivy] No. The treaty would be the basic step, to include the fact that after establishing a certain date for it there could be a referendum on further cooperation. On that date the CSFR would end and the operation of the Czech and Slovak Republics would begin as two entities with international rights. Afterwards there would be a referendum called on the possible broad cooperation between republics. It is possible that there would also be a referendum which would approve the agreement of the national councils.

[Staudova] Deputy to the FS Tomas Kopriva speaks of two months' preparation of that treaty. Is that a realistic date?

[Sedivy] Both sides agreed to a time limit of 30 September.

[Staudova] Vaclav Klaus speaks also of the possibility of creating a "second" chamber of the CNR [Czech National Council] made up of the FS deputies elected in the Czech Republic.

[Sedivy] That view comes from two facts. The deputies to the FS were properly elected and received a mandate from the voters. I think that in the majority of cases the voters did not distinguish between election to the CNR or the FS. In the results of the elections this was not decisive. To take these representatives away from the voters seems to me to be unfair. On the other hand, the deputies to the FS will have the tendency to maintain the integrity of the FS.

[Staudova] At a nighttime press conference Vladimir Meciar spoke of a compromise on the question of the president of the CSFR. What compromise is this?

[Sedivy] In no case was it a matter of a compromise on persons. It had to do with the mechanism of the election. Our sole candidate is Vaclav Havel.

[Staudova] Can it come to a situation where the transitional period for the activities of the old president, which is presently three months, is extended?

[Sedivy] Yes, if some of the deputies propose it and the FS approves it. There is such a possibility.

[Staudova] Did you talk about this in Friday's negotiations?

[Sedivy] No.

#### **Finance Minister's View**

92CH0739B Prague TELEGRAF in Czech  
26 Jun 92 p 3

[Interview with new Federal Minister of Finance Jan Klak by Dagmar Sistkova; place and date not given: "Continue Along the Path Taken"]

[Text] The candidate of the ODS [Civic Democratic Party] for the post of federal minister of finance is the deputy minister of finance for the CSFR, Eng. Jan Klak. If this actually takes place, his task in the new government will not be at all an enviable one. In addition to the tax reform which he currently has to worry about, he will have the further course of economic reform on his shoulders. Implementation of the tax laws without which, by the way, the economic reform could not proceed any further, remains one of the basic pillars for transforming the economy. We asked him how he sees implementation of the tax reforms under the new conditions. He answered us as follows:

[Klak] The tax system can be used for any kind of state setup. In the case where there are no longer certain joint needs (independent of what will be the final form of the legal composition of the state), it will be necessary to replace them with something. In that case both republics would have to provide the appropriate financial resources. The question is whether the source of these finances could be the federal tax channel. But in general it applies that if differing tax rates between the republics are put into effect within the framework of a further emancipation process, it would probably result in the establishment of customs offices at the border crossings between the Czech and Slovak Republics.

[Sistkova] Does the construction of customs offices not in fact mean the breakup of the two republics?

[Klak] If, for example, there were different tax rates for value added in the Czech and Slovak Republics, it would mean that in one of the republics the products would be cheaper than in the other. It is entirely understandable that without customs offices this situation could not possibly be sustained.

[Sistkova] Economic reform cannot take place without additional laws which will be approved by the newly formed parliament. Do you suppose that the new, very necessary laws have a chance to make it through this parliament?

[Klak] If in the future there remain some common interests on the part of the Czechs and the Slovaks, then there is always a chance for it.

[Sistkova] If Slovakia actually began to issue bonds, as the deputy minister of finance of the SR [Slovak Republic], Marian Tkac, has talked about, would this result in a collapse of the common currency?

[Klak] The Slovak Republic obviously can begin to issue bonds. However, in order to achieve its purpose, first someone must buy them. But this is a question which is very hard to answer. In a case where there does not happen, it will cause inflationary pressures. This would have a negative effect on the common currency. But if someone (banks or private citizens) does buy the bonds, it reduces the credit framework which the entrepreneurial sphere could otherwise use.

[Sistkova] If you are appointed to the office of federal minister of finance, will you feel like you are the liquidator or will you try to hold both states together?

[Klak] I think that yesterday Jan Strasky said it clearly. It will be a maintenance government which will continue along the path of economic reform taken. I believe that it will have all the prerequisites for doing this.

[Sistkova] Thank you for the interview.

#### **Interior Minister's View**

92CH0739C Prague CESKY DENIK in Czech  
2 Jul 92 p 1

[Interview with Dr. Petr Cermak, new federal minister of interior, by Jindrich Sidlo; place and date not given: "Do Not Politicize Interior"]

[Text] The Civic Democratic Party has nominated its vice chairman Dr. Petr Cermak for the post of federal minister of interior. He is 39 years old, married, and the father of two daughters.

[Sidlo] Let us get back for a moment to the negotiations between your party and the HZDS [Movement for a Democratic Slovakia]. On Friday Vladimir Meciar announced that the ODS [Civic Democratic Party] had promised the Slovak party a kind of Marshall Plan if the HZDS will give up its thoughts about an international legal identity for Slovakia. Of what would this plan consist?

[Cermak] This was rather in the nature of a joke said as an aside by our chairman and nothing has been worked out in detail. Everyone who knows what the Marshall Plan look like obviously feels that it was something else.

This was rather more of a metaphor and the chairman, Mr. Klaus, would have to give you the details himself.

[Sidlo] On Saturday then the vice chairman of the HZDS, Milan Knazko, stated that the ODS wants to initiate a referendum in the Czech Republic only after it is known what the results are in the referendum in Slovakia.

[Cermak] We did not discuss such matters as the schedules for the referenda in both republics at all. Now we are rather searching for approaches and generally evaluating the law on referenda, so nothing was said between us about such a time schedule. This obviously a question of an incorrect interpretation of the discussions.

[Sidlo] You are supposed to become the federal minister of interior. Why did the ODS decide to put you in particular in this key position?

[Cermak] From the moment that it came into being the ODS has been forced to deal with a number of questions connected with security and with the structure of the ministries of interior. These are sensitive ministries and also certainly very important politically. Right from the start I was the one who dealt with this matter. I studied the entire subject for over a year and was in contact with all the interested elements. Obviously for that reason I was proposed for the post of minister of interior.

[Sidlo] The departing Czech minister of interior Tomas Sokol (OH [Civic Movement]) in Monday's MF [MLADA FRONTA] DNES expressed doubt about your capabilities and competency to manage the federal ministry of interior. How would you answer this?

[Cermak] I consider that to be rather a somewhat unfortunate statement by the minister who, in my opinion, disappointed the public expectations the most in his performance of the job. Actually I feel that it is rather a question of emotions and that the minister actually did not think seriously about it.

[Sidlo] What do you think about the fact that a soldier, General Tuchyň, was named as Slovak minister of interior?

[Cermak] At a general level I feel that there should be civilians at the head of the ministries of interior and defense. Of course, I cannot pass judgment on the decisions of the Slovak National Council and the Slovak prime minister; it is purely their own affair. If they feel that the best person for the job of minister of interior of the Slovak Republic is a general, then we can only comment on the choice, but we cannot do anything to change it.

[Sidlo] What will be the fate of the central archives of the ministry of interior? Are plans being made to limit them to the republic level?

[Cermak] I think that it is a purely technical matter which the experts must resolve. The minister can only listen to all the views and in the case where there is some

argument, he must somehow make a decision. I feel, however, that this is not the basic question which would be driving me and which I should already be ready to resolve.

[Sidlo] Do you admit that there is a possibility that just this question of the archives could become a political question?

[Cermak] Of course, at interior it can become a great political flap, particularly if there is an interest in making politics out of something. I would want to resolve these matters in a purely pragmatic way and not allow the politicization of the activities of the federal ministry of interior even in the case of a limitation of the jurisdiction, property, or archives to the republic level.

[Sidlo] Do you already know what you must do first when you get into office?

[Cermak] I am living now in such confusion around the Czech National Council and about the potential possibilities of being minister of interior that I rather see before me a number of individual tasks. If I can answer somewhat lightly, the first thing that I must do is to open the door.

#### **Defense Minister on Army Readiness, Split**

*AU2707135992 Prague MLADA FRONTA DNES  
in Czech 21 Jul 92 p 6*

[Interview with Lieutenant General Imrich Andrejčák, CSFR Minister of Defense, by Jan Gazdik and Karel Simana; place and date not given: "I Do Not Believe in a Split, but Will Go Along With It"]

[Excerpt] [Passage omitted]

[MLADA FRONTA DNES] How will you get along with the Association of Slovak Soldiers [ASV], which now has members in parliament? Eng. Jan Repasky was even appointed chairman of the Chamber of Nations Defense and Security Committee.

[Andrejčák] According to an old Slav proverb, if a woman fears spiders, she must touch one. Therefore, I met with the Defense and Security Committee chairmen. We made arrangements for regular contacts and agreed on ways to achieve more openness in the Army. I welcome their endeavors for strict supervision of the Army. That should at least eliminate the suspicion that we are doing something bad, wasting money, and demanding a much higher budget than we actually need. As far as the ASV members of the Slovak National Party slate are concerned, I believe that they express the views of a certain group of people in the Army. Nevertheless, I have not encountered a single instance in which they have suggested directly to the Defense Ministry a course of action to take regarding some problems in the Army they do not like. I only read criticism in various newspapers, to which the former defense minister responded the way he did. That is another reason I welcome the fact

that three of them are members of parliament; they can (as opposed to myself) initiate legislation.

[MLADA FRONTA DNES] If a citizen is too frequently assured of the Army's readiness for action, he begins to ask: Is it really so? What is the actual makeup of the Czechoslovak Army?

[Andrejcek] The combat readiness of the Army is often assessed wrongly, solely on the basis of the bad conduct of some soldiers in public.

Over the past three months, together with the Army chief of staff, we took part in three operational staff-command post exercises of the territorial commands, and I had a great feeling of satisfaction that, even after such a prolonged "staff-command withdrawal" as a result of the reorganization and redeployment of the Army, I saw coordinated action of a high standard. The fact that these commands are able to manage the troops is more important to me than having first-class combat-ready tanks, which nobody knows where and how to use. I believe it is impossible today that in the event of a mobilization a unit would not report for duty or would not be action ready. The warning and alert times are so good as to allow for coordination of the troops. Despite the drastic structural changes, the command has preserved its ability to plan and control the troops.

[MLADA FRONTA DNES] There is, of course, the danger of the CSFR being divided....

[Andrejcek] We will probably be a long time seeking our path.... Nonetheless, I believe that our ways will not separate. If I receive constitutional political instructions to divide the Army, I will go along with them.

### **Separation Crisis Economic Scenarios Viewed**

92CH0721A Prague RESPEKT in Czech 15-21 Jun 92  
pp 8-9

[Article by Miroslav Gruener including interviews with Augustin Huska, former Slovak Republic minister for privatization, and Ivan Miklos, deputy chairman of the Civic Democratic Union; places and dates of interviews not given: "The Economic Aspects of a Possible Division of the Federation: Keeping the Economy Going. Crisis Scenario"]

[Text] For more than a year a document has existed called the "Crisis Scenario." Naturally it would be impossible to publish all the ideas and necessary procedures contained in it. Therefore, in the following article we will concentrate on some of the basic issues, which we may be forced to resolve in the near future whether we want it or not.

### **Coupon Privatization**

The first group of questions concerns the fate of coupon privatization, which is legislatively guaranteed and technically implemented on the federal level. Could the Slovak government, through some one-sided action,

impede or stop this technically complicated process in Czechoslovakia, too? "It cannot be impeded," says Eng. Jiri Fabian, manager of the Podnik Vypocetni Technika (PVT [Computer Technology Enterprise]), who technically guarantees coupon privatization. "We would merely have to make certain adjustments in the software, so that it will be possible to process one part for Bohemia-Moravia and a second for Slovakia. The central computers in Prague and Bratislava are almost identical. It is a matter of algorithms, which we can do very quickly, but naturally this would have to be done after the round has ended and not in the middle of it." According to Engineer Fabian, there is a possibility to block in coupon privatization. "A similar system was used to return shares to citizens from funds that decided to drop out of the coupon privatization. The new legislative and political decisions should be based on what kind of data are at the disposal of coupon privatization. Of course, dividing something without sufficient data would pose a problem. For example, if the Slovak government were to turn off the computer, this would be the same as ending a round. Then we would merely evaluate the situation, and compensation for the canceled orders would have to be a political decision."

### **The Golden Share**

Statements made by representatives of the Movement for a Democratic Slovakia (HZDS) have so far not indicated that they would wish to stop coupon privatization during its implementation. But the leading economist of the HZDS has stated that he will ensure that the right of the state to decide will be asserted in all Slovak corporations by means of a so-called golden share. However, it is well known that the golden share devalues other shares because it gives the holder a dominant position above all other shareholders. If Huska's idea will be put into practice, the Slovak Republic will take yet another step toward a totally different economy than was assumed by the post-November reform plan.

### **Currency, Budget Deficit**

Let us try to assume that both sides will still be trying to find a way to preserve the federation. In that case there would theoretically be two possibilities. The first is that the reform will continue within the same legal framework in Slovakia, too—including a single central bank and a uniformly managed currency. Slovakia would clearly only agree to this idea for the price of much more massive financial support from Bohemia-Moravia than it has had so far. We would simply have to pay dearly for further coexistence with the Slovaks.

In addition, if the performance of the Slovak economy would continue to decrease and would merely eat up the budgetary resources, it would clearly be necessary to raise taxes. This could lead to suppressing economic activities or to the indebtedness of the state budget. Financing a budget deficit would diminish citizens' savings. Instead of loans to the private sector, or private enterprise, banks and citizens would be buying state

bonds. If this also proved not to be sufficient, the budget deficit would have to be "monetized": the state bank would buy the bonds and would thus become the major state creditor. In order to obtain the means for this transaction, it would have to print money. An inflationary spiral would be set in motion.

#### Prague Would Have To Say No

According to the second alternative, our Slovak partners would agree to continue the reform, but would want to "do it differently": probably with emphasis on helping large and medium-sized enterprises, and support for regions. In this case, Slovakia would become indebted. The government in Bratislava would also have to make up the deficit through the sale of bonds. But, in all probability, it would have to support them—in order to make them attractive—through high interest. Thus it would quickly run out of money for private investments and would again have to proceed with monetization. But to do this, it would either have to have its own currency, or a koruna managed from two centers. That is why former minister Michal Kovac advocates the idea that the Slovak headquarters of the SBCS [Czechoslovak State Bank] should have legal status. It is an idea that essentially anticipates the insidious disintegration of the state. It would soon become untenable for the Czechs to follow the rising curve of Slovak inflation. It would be Prague that would have to say "no." It is quite possible that this, indeed, is the aim of the HZDS's political maneuvering.

#### Providing the Currency With Duty Stamps

There has been much discussion about the fact that if the common currency were divided, it would have to be provided with duty stamps. According to the information at our disposal, the same duty stamps appear both in Bohemia-Moravia and in Slovakia. The process of stamping would take many weeks. Minister Alois Rasin, who agreed to mark the currency on 28 October 1918, was in a much easier position: After the Austro-Hungarian Empire fell apart, there was much less money in circulation. Another method is available for our possible breakup. Czech and Slovak bank notes are printed approximately at the ratio of 2:1 in nominal values—10-korunas, 5-korunas, and 500-korunas bank notes have a Slovak text. 20-korunas, 100-korunas, and 1,000-korunas bank notes have a Czech text. On a specific date, an exchange of "Czech" and "Slovak" bank notes would be announced. The remaining bank notes would be stamped by special machines, i.e., marked with a specific colored sign. This process would take several days; but all banks and post offices would have to be involved in this.

#### Division of Loans

What would happen to loans that the Czechoslovak Federation obtained? Here, too, there are essentially two possibilities: Either one of the republics would become the legal representative of the CSFR, which no longer

exists, and would thus assume all prior obligations of the former state (by the way, the total debt is over \$10 billion), or the loans would be allocated to the two republics according to a specific formula. However, there is a question as to whether Slovakia would be a sufficiently suitable partner. Most of the loans were granted to Czechoslovakia for the reform, because it was going well and had been well thought out. As is well known, the HZDS intends to modify or slow down the reform. According to Minister Dlouhy's advisor, Dr. Zdenek Drabek, this could be a very sensitive problem for the Czech Republic: "Use of the stabilization loan from the International Monetary Fund, which is helping to maintain the rate of the Czech koruna, would probably have to be stopped until a legal successor to the state is found. During the period when use is suspended, it will probably be difficult to maintain the level of our foreign currency reserve."

#### The European Community

The most sensitive question is probably that of association agreements with the European Community. "The association agreement would probably have to be renegotiated in a very complicated manner. At the very least, in relation to the size of quotas," says Zdenek Drabek. "Unless both republics would be successors to the CSFR, one of them would have to stand in line, and it is a very long line: behind Bulgaria, Romania, Slovenia, and the Baltic countries. The HZDS intends to have higher protection duties for Slovak industry. I do not know whether its representatives could come to an agreement with the EC."

#### Devaluation and Drop in Production

Due to its lower export performance, Slovakia would have to devalue its currency considerably. There has been talk about 45 percent, but some estimates are as high as 100 percent. A second option is the allocation of hard currency, i.e., central planning. Whatever the case, independent enterprises in Slovakia would get into financial difficulties. According to Eng. Milan Capek, the head of the Department for Economic Policy in the CR [Czech Republic] Ministry of Industry, the Czech Republic is only dependent on Slovakia for the import of products in heavy chemicals (about Kcs9 billion annually). There is probably no danger of losing the supplies. To the contrary, Slovak exporters will have a greater incentive than ever before to increase the volume of exports. The Czechs would not have any problems in making payments. On the other hand, due to the devaluation of the Slovak currency, the purchase of Czech products would become much more expensive for Slovak businesses, and it is possible that many of them would not have any resources with which to make the payments. The only thing that would have a significant impact on the Czech economy, according to Engineer Capek, would be a possible restriction on exports of Czech machine industry investment units to Slovakia (about Kcs25 billion annually). The consumer industry

should not have any serious problems. The loss of the Slovak market would be negligible for products such as textiles and footwear.

#### Networks—Transit Gas Pipeline

The transit gas pipeline Druzba, which crosses both republics, still does not have a "designated owner." No corporation has been set up that would ultimately be privatized. According to Deputy Minister for CR Economic Policy and Development Dr. Vratislav Ludvik, "It is to be expected that the Slovak Republic will push for a majority share in the transport of gas, regardless of the legal organization of the state." Only about 12 percent of the carrying capacity of the Druzba gas pipeline is designated for Czechoslovakia, and of that 90 percent is for the Czech Republic. The major part of Slovakia's needs are supplied through the independent Bratrstvi gas pipeline. The gas that crosses the CSFR belongs to the Russians and the transit fees are paid by Russia in the form of gas deliveries. The construction was primarily financed by the federal budget and therefore it would be logical if the gas pipeline were divided 2:1 to the benefit of the Czech Republic. On the other hand, a larger volume of gas crosses Slovak territory; there is a branch line to Baumgarten, and gas flows on to Italy, Austria, and France through it. The Czech system transports a smaller volume of gas and this ratio can be expressed as 63:37.

"A division of the state would quickly lead to pressure to divide the gas pipeline," Engineer Ludvik continues. "The first stage would probably be a settlement of the transport of gas between the republics, the second stage would assume the construction of stations to measure the gas. The disadvantage is that one large company has lower expenses and a better chance on the market than two smaller ones. Last year the Czech Republic constructed a connection to the German gas pipeline in the district of Rozvadov, which would permit us safely to bridge the period when our orders may be limited. If the gas pipeline were to be divided, our gas would be a little more expensive due to transit fees across Slovak territory; but they could not be higher than transit fees for other countries. It would not be a disaster."

#### Energy Networks

These are, admittedly, interconnected, but they could be split up without any problems. It cannot be said that the Slovak Republic is clearly more dependent. Exports from the Czech Republic to Slovakia total about 2.3 terrawatt hours annually. That is about one-fourth of the anticipated output from two reactors in Temelin or 10 percent of the output of the power stations in northern Bohemia. Slovak dependency is not insurmountable, it is merely greater. On its part, the Czech system is dependent on supplies from the Cerny Vah system of power plants in times of unexpectedly high consumption.

#### Crude Oil

The most sensitive problem is crude oil. One year ago the corporation Transpetrol (SR:CR 78:22 percent ownership) was founded. The justification given for Slovakia's higher investment was that larger oil reserves are to be found in its territory, although the technological quality of the facilities on Czech territory are higher. Engineer Ludvik states: "Both source oil pipelines end in Slovak territory. All we can do is hope that the oil pipeline from Ingolstadt to Litvinov will soon be finished, because the Slovak government could burden us with high transit fees. I should also state that, for instance, during the war in Croatia when difficulties arose with deliveries of crude oil, Slovnaft had plenty of raw material while Czech refineries had problems." A further problem is the division of international agreements. "An attempt is being made gradually to transfer international agreements to an interenterprise level," says Engineer Ludvik. "Nevertheless, it will be difficult to decide who is to inherit contracts that were already valid and were concluded with the former government of the Soviet Union, etc. In other words, a number of possible clashes exist. A lot also depends on the speed with which foreign capital will become involved in our refineries. After all, one would enter a conflict with Litvinov in a different way than one with an international company, and this prestige obviously has an influence on the volume of crude oil supplies."

#### Coal

Most coal used in Slovakia comes from the Czech Republic. For example, 2.5 million tons of bituminous cokeable coal (Polish coal is about 40 percent more expensive) and 4.3 million tons of brown coal are supplied to Slovakia. Slovakia has very limited reserves of coal and economic conditions for mining it there are bad. Naturally Bratislava could purchase coal elsewhere, for instance in Ukraine. Slovakia has four major sources of energy: the electric power station in Vojany (the operation is expensive and crude oil and natural gas are processed), Novaky, which burns local brown coal (the whole region is contaminated with arsenic), VI in Jaslovsky Bohunice (bad safety features), and the Vazska falls. That is why the Slovak representatives are trying so hard to get Gabcikov and Mochovice finished: Because, apart from a certain amount of show of force toward Hungary (in respect to Gabcikov), it would mean self-sufficiency as far as energy is concerned.

#### Customs Union

Another problem that would have to be resolved instantly if the state were to be divided is the movement of goods. There are three types of movement: 1) within the framework of a common state; 2) within the framework of a customs union (an agreement about the duty-free movement of goods between two independent states); 3) between two states divided by customs barriers. An end-of-the-world scenario must assume a trade war. But this would probably not happen, because

Slovak enterprises will have an intrinsic need to export. Some politicians believe that the state can disintegrate "gradually," via a confederation and a monetary or customs union. But we must not forget that every union must be advantageous for both parties, and that unions are generally formed between two partners who are economically equally strong. Thus, in the case of the Czech countries and Slovakia, such hopes are not very great.

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"We should live apart," says Prof. Augustin Huska, former SR [Slovak Republic] minister for privatization and one of the HZDS's leading economists.

[Gruener] How will you deal with privatization? Allegedly you wish to discontinue coupon privatization.

[Huska] We had a number of objections to it from the beginning. Therefore we wish to introduce talon [renewal certificate] privatization as soon as possible, maybe starting with the end of the first round. We will treble the volume of assets originally included in coupon privatization, so that everyone will obtain not 30 but 100,000 korunas. The assets would not be administered by the shareholders but by the Slovak post office because it has branches equally distributed throughout the territory. We would discontinue the activities of investment companies for privatization.

[Gruener] Your program mentions the need to expand state intervention into the economy. What kind of intervention will it be?

[Huska] We are basically opposed to direct sales, they can lead to certain inequities.

We would introduce a golden share in most of the enterprises. It would be linked to a different range of rights in different branches. In this way the state would retain control of the enterprises for a specific length of time.

[Gruener] Can you describe the programs that will lead to a decrease in unemployment and an increase in Slovakia's export performance? You promised this in your election program. How will they be financed?

[Huska] I cannot answer this question. We do not wish to be like Mr. Klaus, who violated the agreement and provided information on the HZDS talks earlier than was agreed. We simply do not want to anticipate events and thus ruin a possible agreement.

[Gruener] If the reform were implemented differently in the two parts of the country, the prospects for a functional federation would be minimal. What would the economic situation be like in Slovakia, and what would its economic policies be like? How would you devalue the koruna, how large would the state budget deficit be, and how would you finance it? Who would your major foreign trading partners be?

[Huska] We believe that the geopolitical situation of both our countries is such that we should get rid of such supervision. We should start to live on a parallel level. We know from cybernetics that the most intelligent systems can work parallel to each other, next to each other, managed by two centers.

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"Without reform, Slovakia will sink, and will pull the Czech economy down with it," says Ivan Miklos, deputy chairman of the ODU [Civic Democratic Union].

[Gruener] Who will become the leading economist of the HZDS? Huska or Filkus?

[Miklos] Filkus has relatively reasonable ideas. Basically he only wants to implement the existing reforms "slightly differently." The question is whether Meciar will be willing to listen.

[Gruener] But Professor Huska, the first Slovak Republic minister for privatization, your predecessor in this office, has his own ideas on privatization. For example, some time ago, he announced that he will discontinue coupon privatization in Slovakia.

[Miklos] I cannot speak for the HZDS, but such a decision would cause problems. Two and a half million voters have registered for coupon privatization in Slovakia. Personally, I do not understand the schizophrenia of those people who registered for coupon privatization and then voted for the HZDS. But remember that the day after Professor Huska made the said statement, Mr. Filkus denied it.

[Gruener] Professor Huska believes he can introduce a golden share into a large number of enterprises. In his opinion, privatization should not take place "precipitately."

[Miklos] On 20 June, Professor Huska published an article in which he offered a kind of alternative to privatization. He would sell all assets at nominal prices. He has basic objections to coupon privatization. I can only say one thing about his idea that, in its place, he will implement talon [renewable certificate] privatization and expand the offer. Expanding the offer in such a way that everyone will obtain assets for 100,000 korunas cannot be done, if for no other reason than because we do not have that many available assets in Slovakia. We cannot satisfy 2.5 million DIK's [coupon investors] with 100,000-koruna participation.

[Gruener] On Monday, following the election, Milan Knazko allegedly announced that the HZDS may not insist on the creation of a second bank of issue. So what will the Slovak economic demands be?

[Miklos] The HZDS can break up this state even without its own bank of issue. They will start operating in such a way that they will create an enormous budget deficit. In this way, they would also pull the Czech economy down with them. I am sure that Vaclav Klaus will never accept

anything like that. This means that, if a common state is to be preserved, the HZDS will have to follow policies very similar to those that we have followed so far. It will only change the phraseology. There simply is no other type of reform. Following the devaluation, which would have to be one of the first steps taken by an independent Slovakia, the dollar would be at 40-45 Slovak korunas, according to my calculations. Devaluation would be unavoidable unless they decided to discontinue internal convertibility and were to go in the direction of foreign exchange allocation. But we are now living in a different world; they would have no partners. The reforms are difficult, but, without reforms, Slovakia will sink. The voters did not believe us, so they will probably have to experience it in practice.

**Ota Sik: Slovakia Headed for Bankruptcy**  
*92CH0790B Prague HOSPODARSKE NOVINY*  
*in Czech 29 Jun 92 p 7*

[Unattributed interview with former Czech economist Ota Sik; place and date not given: "Slovakia Threatened by Bankruptcy"]

[Text] Under this title, the German economic weekly WIRTSCHAFTSWOCHE published an interview with Ota Sik, former Czech economist, one of the architects of the Prague Spring of 1968, and today an economics professor in Saint Gall. The journal received the following answers to its seven questions:

[WIRTSCHAFTSWOCHE] Can Slovakia survive on its own?

[Sik] Theoretically, yes, but the question is what kind of sacrifices the population would have to make to that end. In any case, the standard of living would sharply decline.

[WIRTSCHAFTSWOCHE] In Bratislava, V. Meciar sees it quite differently. He feels that the Slovak heavy industry would only then come into its own, if Prague would no longer have anything to say about it.

[Sik] He forgot that the economic links with the Czech lands are very close, and the great amount of goods that Slovakia is getting from there. I would estimate that the Slovak economy depends on Bohemia and Moravia for one-third of its supplies.

[WIRTSCHAFTSWOCHE] But those economic links need not be severed. With the declaration of Slovakia's

independence the trade between the two parts of the federation would become foreign trade between two independent countries.

[Sik] But then Slovakia would quickly find itself in a deficit situation. And I cannot imagine that the Czech Republic would be willing to finance that deficit for any length of time if Slovakia wanted to keep the same currency as the Czech Republic. That would, after all, mean the introduction of inflation, particularly since Meciar wants to continue subsidizing old state enterprises in Slovakia.

[WIRTSCHAFTSWOCHE] Is it your opinion, then, that is is quite impossible to have two different economic systems in the same currency sphere?

[Sik] I can imagine the new Prime Minister V. Klaus supporting some enterprises in the Czech lands with state money, but that would be an exception. However, for V. Meciar that would be the rule. And to have an economy that is only a little bit of a market economy is as impossible as a woman being only a little bit pregnant. Economic good sense argues for continuing on the road of privatization.

[WIRTSCHAFTSWOCHE] And, if the Slovaks do not follow it as well...

[Sik] Then sooner or later they will be threatened by bankruptcy.

[WIRTSCHAFTSWOCHE] Will the Czechs manage on their own if their most important market—Slovakia—breaks away?

[Sik] They, too, would certainly suffer as a result of the breakup, and, without the federation, they would have to pay more for government services—from diplomatic representation to the postal service and railways. Furthermore, it would slow down privatization because, in the meantime, Czechs and Slovaks have gained shares in enterprises in both parts of the federation and now would have to divide the assets again. But, in the longer term, it would be possible to overcome such problems.

[WIRTSCHAFTSWOCHE] What position would the Czech lands then have, based on their economic power in the former East Bloc?

[Sik] Undoubtedly, first place.

**Prominent Daily on Liberal Opposition 'Treason'***92CH0777C Budapest UJ MAGYARORSZAG**in Hungarian 25 Jun 92 p 6*

[Article by Gabor Czako: "Treason by the Liberal Opposition"]

[Text] If I were a parliamentary representative, I would have voted for discharging Elemer Hankiss, director of Hungarian Television. The very day after his appointment, the institution called Hungarian Television was conceived and operated for 35 years by its creators so as to be socialism's biggest swindle. In my opinion, the majority of television personalities tried in vain to remain honorable. It is not the task of a scholar to liquidate that factory of lies against the people, nature, and the country, to teach it truthfulness and culture, and to expose the economic course correction of its intellectual criminals.

The scholar can, at most, prepare analyses for that work, and give counsel to a heavy-handed revolutionary who is incorruptibly committed to a change of regimes. In a world of controlling telecommunications, it is obvious that the people belong to those who cultivate them. It is also obvious who has that power—who has the power today. It is even more obvious that there will be no change of regimes here, that democracy, and with it the hope of economic improvement, will die as long as the old power remains. It is incontestable that neither Elemer Hankiss nor Csaba Gombár, director of Hungarian Radio, was able to force a change of regimes at radio and television broadcasting, nor to force them at least to favor Hungary—not, one must stress, to favor the government. And to pressure, not the radio and television personalities, who are excellent democrats and good Hungarians, but rather the two institutions.

They were unable to achieve a modification in the administration and the attitude of either institution, which would have made authentic, exact, and unbiased information possible. In neither of the institutions did the cause of Hungarian culture improve; not in royalties, but in program time, respect for values, and impartiality. The radio and the television have been submerged in daily political struggles. The editors of individual programs keep manipulating the country using "experts" selected to suit their own taste. Moreover, there are even programs again in which a selected audience applauds and boos—instead of us—as in the good old days. This is where the mass media committed their gravest, not to say historical, sin. If they had really wanted to serve, to make amends, they would have had to make educational programs on the situation of the country; about the inheritance, and our economic, moral, sanitary, educational, environmental, etc., conditions. They would have started to explain to the viewers and listeners what democracy is—in cartoons, puppet films, using easily intelligible means to explain what an election means to the country, to the citizen, to the parties, down to the last detail, and namely who profits if one does not vote.

Further, they could go on to answer such questions as: What is the division of power? What is the task and responsibility of the court, of the parliament, the president, the constitutional court, the coalition, the opposition, the local government? What is the responsibility of the press, and of the government? What do each of them accomplish? What do they not accomplish? What difficulties do they overcome, and to what difficulties do they succumb? All of this should be done with facts, facts, and more facts. For instance, in the first year, the population received barely any information on the essence of the laws and government measures. The country was living in a barrage of criticism, Cassandra-like prophecies: There will be no bread, inflation will gallop, there will be a Christian course of politics, etc.

The two media gave room to every political campaign, which persisted in claiming that everything is getting worse: Life is hopeless, and everything was better in the old days of communism. Instead of, for instance, admonishing the viewers and listeners to be patient, explaining that legal processes are slower and more sluggish than ruling by decree.

In parliament the representatives do not argue because they are stupid, but because that is their task, and their salary is not more, but less than before. Most people were not helped by the masters over the powers of information to find their way in the transformation of law that took place with the change of regimes. For instance, the criticism of the laws of compensation far exceeded the patient explanation of these measures concerning hundreds of thousands of people. We did not inform the public unfamiliar with economics what the reasons were for our indebtedness and our industrial backwardness. What is the cause of inflation, the closing up of certain companies, privatization, unemployment, etc., and why are these matters unavoidable? They especially did not try to make the public understand that it is impossible to preserve unprofitable companies and keep up full employment at the same time, while curbing inflation and implementing a change in economic structure and in the market.

A considerable part of Hungarian society is no longer happy about the change of regimes; these people cannot exercise their freedom, do not understand the processes underway in the country, and for these reasons more and more people have become advocates of going back to the old days. In the country's present state the responsibility of the liberal opposition is immeasurable. We could even say, their treason. During the elections and the following days, when the bolshevik media barons offered them their services in return for protection, and they accepted the deal, they betrayed the ideals they had been fighting for in their samizdat period. At the same time they were trapped because whether here or there, the new ally turned out to be more clever than they were. Namely, by now it is obvious that the barrage directed against the coalition and the government is in fact a diversionary maneuver. The real goal of the media war is the prevention and reversal of the change of regimes. This is what

really lies behind the attempts to discredit the government, the parliament, and the new system of institutions. It is political blindness to see in this destruction the strategic interests of liberalism, of the liberal parties. And the media barons will not be such fools as to help the liberals get into power in the coming elections, when they can help themselves and their own party—the communists disguised as socialists and whatnot.

### **Gonc's Popularity Slips After Media Decision**

92CH0777A Budapest HETI VILAGGAZDASAG  
in Hungarian 11 Jul 92 pp 7-10

[Article by Endre Babus: "Presidential Decision on Media Directors; No Problem"]

[Text] For the third time Arpad Goncz refused to sign one of the prime minister's proposals when, on last Wednesday, he would not discharge the directors of the Hungarian Radio and the Hungarian Television. As a reaction, the coalition is allegedly trying to pass "on the liberal side," and promises to remove the obstacles that have been hindering freedom of the press for years.

On Thursday one of the daily newspapers close to the government suggested that Arpad Goncz follow the example of the king of Belgium. The president once justified the steps he has taken so far in the course of the media war among other reasons on grounds of conscience, and the newspaper's idea was that the president should resign for one day, as the ruler in Brussels did when the Belgian abortion law was passed. On a similar type of day the speaker of parliament (who is entitled to substitute for the president in such cases) could discharge the directors of the Hungarian Radio and Hungarian Television. With this avant-garde solution to a problem of constitutional law, the president could save himself the trouble of continuing the war of prestige with the prime minister, said a politician close to the government who did not wish to reveal his identity.

To be sure, the rehashing of the Belgian example was the gentlest message addressed to President Goncz from the coalition press in the middle of last week. The psychological warfare against the president that was started a few months ago assumed after 1 July a tone more unsparring than ever before. "We have an irresponsible dictator with absolute power"; "Democracy is dead"; these and similar statements were used by the governing party's press to comment on the president's decision. And as we go to press, the officials of the board of the Hungarian Democratic Forum [MDF] are even designating the president's refusal to sign the document as a step "towards overthrowing" Hungary's "system of constitutional law based on parliamentary democracy."

At the same time, the government's first reactions were low-key. Tamas Katona, under secretary of state in charge of "media matters," acknowledged, in agreement with the prime minister's evaluation, that there is no constitutional crisis in Hungary. This moderate rhetoric is all the more worthy of attention because only a few

weeks ago Jozsef Debreczeni, MDF representative, regarded it as the beginning of the apocalypse of the constitutional state when in May the president refused for the first time to discharge the director of the radio. The leading government party was able to cause further surprise when it held out the prospect of several steps, in particular lifting the three year old moratorium on frequencies and ending the monopoly by the Hungarian Radio and the Hungarian Television, which have been demanded for a long time by Hungarian and international, lay and professional, organizations in order to bring about freedom of the press.

So far it is impossible to tell whether the low-key approach signals perhaps the beginning of a governmental media policy that would be more ready to compromise, or whether the cabinet did not consider it tactful to start a new phase of the civil war between the prime minister occupying the north wing of Parliament and the president occupying the south wing, precisely at a time when "European politicians" were conducting negotiations in the building of parliament. However, this much seems probable: that the leading government party is preparing to partially cancel the 29 April 1990 agreement between the MDF and the Alliance of Free Democrats [SZDSZ], or at least is threatening to do so. It is hardly possible to interpret in any other way the statement made last week by Ferenc Kulin, who talked about lifting the moratorium on frequencies, which is unquestionably unconstitutional and was only created by the pact, and further about drawing up a draft of a law on the "regional public media" that, in his opinion, could be passed in parliament by a simple majority. And a statement by Imre Konya last week seems to indicate that the government intends to influence those local public televisions and radios to which it intends to issue permits by perhaps regrouping state subsidies for the central media in their favor.

Of course, the foundation of an empire of daily newspapers under the government's influence (at the moment, four daily newspapers and three weeklies can be counted here), and the recently begun "renationalization" of printing houses (HETI VILAGGAZDASAG 4 July 1992), as well as the placing of district electronic media under the influence of the executive power would be completely contrary to the antimonopolistic views of the "pact." It is not impossible that the agreement would have to be canceled precisely for this reason.

To continue with the official echo of the president's decision, it is difficult not to notice that next to the low key statement by the government, a fundamentally different statement was also given in circles close to the prime minister. "Theoretically the country can even become ungovernable as a consequence of such a step by the president. Because if Arpad Goncz claims for himself such competence in matters of appointment, it could happen that he would not sanction the new defense minister coming into office," stated Miklos Palos, under secretary of the Prime Minister's Office, member of the Christian Democratic People's Party [KDNP], while

"rehashing" an old accusation. However, it seems that the worry of the Christian Democrats' deputy president was intended as propaganda, because the president expressed already last September in his letter to the Constitutional Court that he will comply with requests for the appointment of ministers, under secretaries, and other persons who answer exclusively to the government in practically every case, and he will only wish to examine the government's proposals on their merits beyond this circle (for instance, in connection with the leaders of the national media and the armed forces). It would be surprising if precisely an under secretary had not been aware of the president's view. It is more likely that the government wished to address the newest Goncz-Antall conflict in more than one voice.

The "message" of the president's decision of last week is undoubtedly not only that he wishes to save the media from the possibility of one-sided government influence, but also—and this is probably even more important—that on his part he is sticking to one of the fundamental ideals of the 1989-90 constitutional revolution, the operation of branches of power that continually control each other. Today, opinion on the functionality of this model is strongly divided among politicians, constitutional jurists, and political scientists, but this does not change the fact that, as the hundreds of pages of literature on constitutional law published at the end of the eighties attest, the Constitution of the Hungarian Republic is based on this concept.

Although in the last few months the Constitutional Court has considerably restricted the president's freedom to examine appointments, apparently he is still able to stick to the method that he explained last fall in connection with his license to make appointments and discharges. The Constitutional Court's frequently quoted regulation, according to which just as substantial reasons are necessary for the refusal of nominations as for the convening of a special session of parliament or the dissolution of it, allowed an "escape route" for the president, because while the dissolution of parliament has strictly delimited conditions, the president actually has the right to convene a special session of parliament on the basis of his personal deliberation. Consequently, a portion of the leadership of public institutions still receives or loses its mandates on the basis of Arpad Goncz's political and legal deliberations.

Apparently it is not a matter to be dealt with by the president, who is bound by the stipulations of the Constitution, that the two largest parties in the Hungarian parliament exchanged positions in the past few years precisely in connection with the issue of the political role of the president, something that probably did not increase the respect for discussions and arguments in the area of constitutional law. The MDF has in effect been taking over the 1989 arguments of the Free Democrats for some time now, and is attempting to induce President Goncz to take on representative duties, while the SZDSZ, whether explicitly or tacitly, supports the concept of a president of the middle.

Lately, as it happened for instance last week, the government has been trying to portray the president, who, in spite of all the storms in domestic policy has been one of the most popular politicians in Hungary for the last one and a half years, as someone who does not wield power independently, but rather merely acts in accordance with the will of his party, the SZDSZ. Presumably with this tactic the governing parties are trying to separate the groups that belong to the coalition's basis of voters from the camp of Goncz sympathizers, so that they can perhaps start a new offensive against the president whose prestige would thus be diminished. The results of the latest polls—according to Median, Ltd., a clear, though not dramatic 8-percent drop in the president's popularity (HETI VILAGGAZDASAG, 4 July 1992)—might be the proof of these alleged intentions.

However, the accusation of serving the goals of party politics is very difficult to prove. The discharge of the media directors was considered untimely not only by the SZDSZ, but by all three parties in the opposition, occupying 41 percent of the parliament's seats. And according to the justification of Law No. LVII of 1990, in the choice of the leading directors of the radio and television, "the social demand of impartiality" should be granted. Moreover, the "degradation" of the president to a party politician can also be questioned because in the course of the past two years President Goncz has opposed his party in questions of fundamental importance: For instance, he refused to sign the Zetenyi-Takacs Law, in spite of the SZDSZ's majority position of abstention, whereas he confirmed the law on church property without any ado, although it was voted down by the Free Democrats.

The government, on its part, is providing all the help necessary to establish a presidential authority in Hungary that is suitable to represent the entire nation, as Tamas Katona announced after last week's latest affair of constitutional law. In return for this support, as it appeared from various statements by the coalition, the cabinet would "only" want President Goncz to reexamine the positions he has taken up to now, and to regard his office as a ceremonial function, similar to that of the queen of England. "I have only three problems with this matter," the president recently said laconically, "I am not English, I am not a king, and I am not a woman." The new version is undoubtedly better: Based on the previous example, the president could only bring up two counterarguments against following the example of the king of Belgium. Along with another 11 articles of the Constitution concerning the president's authority.

#### **Ending of Frequency Moratorium Considered**

*92CH0777B Budapest HETI VILAGGAZDASAG  
in Hungarian 11 Jul 92 p 10*

[Unattributed article: "Frequency Studies"]

[Text] In the last few days, several leading representatives from the governing parties indicated that in reply to

the "no" issued by Arpad Goncz, president of Hungary, the government might lift the frequency moratorium that was imposed almost three years ago and might decide on its own authority to whom it will grant frequencies among the many applicants.

Behind the frequency moratorium there is actually a dual ban: While it is in effect, no permits can be granted either to found studios for the preparation of programs to be broadcast over radio waves, or for the actual broadcasts themselves. Should the ban be lifted, the applications to establish studios would have to be evaluated by a press authority on the basis of the modified press law, and the assignment of frequencies by a technical authority could take place on the basis of the postal law. However, this is only theory, because in reality, the press law that was passed in 1986 and modified in January 1990, does not mention national and regional radios and televisions at all and has only a few phrases on local electronic media.

As far as the distribution of frequencies is concerned, Kalman Toth, director of the department of frequency management at KHVM (the Ministry of Transportation, Telecommunications, and Water Management) told us that, as prescribed by the postal law, his agency "gives" and "plans" frequencies solely on the basis of the location and technological parameters of the transmitting equipment to be operated. According to Kalman Toth, his office does not intend to assume the burden of ranking applications on the basis of political or market considerations, if there is more demand than the technological possibilities would allow.

According to the experts at the KHVM, it is difficult to say exactly how many free frequencies there are in the country. If we start from the plan described in the draft of the media law, according to which the Hungarian Radio and the Hungarian Television are required to broadcast three and two national public programs respectively, then over and above this there exists the technological possibility to broadcast another three

national radio programs and one national television program. However, the number of local and regional broadcasts can be considerably greater than that. For instance, the so-called AM Mikro system is able to broadcast to an area approximately 40 km in diameter and can be expanded to 20 channels for each area. And then we have not even mentioned cable and satellites. Of course, there are plenty of applicants, too. According to data at the KHVM, there are over 250 applications for radio and television frequencies.

Based on statements given in the past few days, the question might be asked whether anyone has the right to withdraw permits to operate studios and to broadcast from the present facilities. In the case of studio permits, according to Gabor Parrag, expert at the KHVM, the answer is a clear no. The seven regional studios of the Hungarian Radio and the three regional studios of the Hungarian Television are the property of the parent institutions, and each one has the right to interrupt the national program and broadcast regional programs on its channel.

In the case of national radio programs, the situation is different. Namely, the program of Kossuth Radio is broadcast on three wavelengths at the moment: FM, AM, and short wave, and Petofi Radio is also "duplicated" on AM and FM. According to Gabor Parrag, at the moment there is no legal regulation forbidding the institution supervising the Hungarian Radio to remove these "surplus" frequencies.

**Applications for Radio and Television Frequencies  
in July 1992  
(May 1990 data in parentheses)**

	<b>Local and Regional</b>	<b>National</b>	<b>Total</b>
Radio	147	17 (5)	164
Television	87	14 (9)	101
Total	234 (88)	31 (14)	265 (102)

**SdRP Deputy Views Left's Political Prospects**

PM2707152692 Gdansk GLOS WYBRZEZA in Polish  
18-19 Jul 92 pp 5-6

[Interview with Sejm deputy Jozef Oleksy, member of Social Democracy of the Polish Republic [SdRP], by Ryszarda Socha; place and date not given]

[Text] [Socha] Time is on your party's side, as are, to an even greater extent, the mistakes of each successive political elite. Are you pleased about this?

[Oleksy] No, I am not.

[Socha] Is this because it not politic to answer in the affirmative?

[Oleksy] The balance of our reactions to the present state of affairs is not unequivocal, but the feelings that prevail are those of sadness and reflection. I believe I am among those politicians who try to reason in terms of the state's interests. The only countries where the opposition can afford the luxury of rubbing their hands with glee every time the government suffers some failure are those that enjoy a stable power system, and where the economy virtually runs itself, as it were, subject only to a market economy system. Those are indeed places where politicians regard their brief tenure either running the state or standing in opposition to the authorities in power as no more than an elaborate political game. However, regardless of how these things may be viewed in other countries, here in Poland we have only just begun the process of political and economic transformation, and we find ourselves in an entirely different position. We are still a long way from being able to activate fully all market mechanisms, and public mood is still quite volatile and easily swayed in potentially wrong directions. In this situation, the state must still play a principal guiding role, while the mistakes of the government and the authorities in power will inevitably influence the course of the transformations, and decide the eventual model of the system we are trying to shape. I live in Poland; so do my children. These facts necessarily define the limits of any glee I might feel as a member of an opposition party, as well as the limits of the political games we play and the political rivalry in which we engage.

[Socha] But surely you will not deny—or will you?—that the failures of the authorities in power have contributed to your sense of satisfaction.

[Oleksy] I would rather describe it as a sense of relief caused by the fact that the worse the government's record in running the country, the less it has a moral right to attack the opposition. And, of course, attacks on the opposition have by now gained the status of a political program. However, in the overall reckoning, our sense of relief has by no means stifled our sense of responsibility. Of course, within the left-wing orientation you can also find people who insist on a straightforward "fighting," or purely competitive, stance. However, they

are not in the majority. You can meet politicians of that school in every political camp.

[Socha] I have heard some political commentators say that you stand above other leaders of the post-Polish United Workers Party [PZPR] left wing orientation thanks to your unerring "sense of propriety," or awareness of the lengths to which SdRP politicians can go, and the attitudes that they should avoid because of their party's less than immaculate origins.

[Oleksy] You are, in effect, asking to what lengths the left is permitted to go, are you not? You must remember that we have already been through a democratic election, so it is quite unlawful to brand us as undesirables and to isolate us politically.

[Socha] I am concerned not about formal rights and qualifications, but about the consequences which might follow from your accepting responsibility for your political pedigree.

[Oleksy] A certain subtle problem did indeed occur during the recent Sejm debate on the martial law. On the one hand, there were people present right there in the Sejm chamber who had been arrested, interned, and wronged in many other ways, and whose personal views on the matters on the agenda were probably even more drastic and uncompromising than those of the majority of the public. Even so, it should be pointed out that those people should never abuse their status as "martyred war veterans," because politicians must be able to rise above a sense of personal injury. On the other hand, however, as I forever keep telling my colleagues, representatives of left-wing groups should learn always to moderate the uncompromising manner in which they tend to present their arguments, even if they believe in them most earnestly and fervently. That manner could have caused more hurt, on that and many other occasions, than the speakers of left-wing groups ever intended. A similar problem occurs whenever the question of relations with the former Soviet Union comes up on the agenda. Regardless of whether or not individual party members accept their personal share of the blame, we must remember that the entire political bloc pursued the policy dictated by Soviet exigencies. I am sure we could quote quite a few more cases where left-wing groups would do well to show more moderation and more tact. Some people chose to charge us with being unduly caustic and trenchant in our commentaries on the restoration of church property, religious education in schools, and the activities of Sejm Speaker Stelmachowski. They told us: "Your camp has always persecuted the church." However, I must insist that I do not believe that the fact that the PZPR had its differences with the church deprives today's left-wing groups of the moral right to express their views in a clear-cut and trenchant manner. This is no longer the question of what happened in the past, but that of the future model of democracy and of just constitutional provisions.

[Socha] The current problems troubling the SdRP can be blamed largely on the way in which the transformation of the former PZPR was carried out. Looking back on it now, was it really to your advantage to take over the entire PZPR legacy, lock, stock, and barrel? Is it not true that your straightforward continuation of that heritage, with its associated opprobrium, brought you more losses than advantages?

[Oleksy] I do not yet have a definitive answer to this question. In any case, I reserve my right to have reservations, since the liquidator has virtually wiped away all PZPR assets.

[Socha] You must be exaggerating.

[Oleksy] During the first stage, after we handed over the landed property to the receiver, we managed to keep hold of the financial assets, which constituted five percent of the value of all assets. However, by now even those funds are being confiscated. Moreover, the officials appointed by the liquidator are so thorough in the process of stripping us of all the assets that they even go to the length of gutting office premises of old curtains, threadbare rugs, and old armchairs with broken springs. You may not believe me, but the party is actually penniless. All salaried employees have been given notice. There is not enough money in the kitty to give them statutory severance payments.

[Socha] Does this mean that the SdRP is left without the so-called party apparatus?

[Oleksy] It does indeed. This is a serious threat to the party, especially if we were to have an election soon. Personally, I believe that the insistence on taking over the entire PZPR legacy was only partly to our advantage. In any case, at the SdRP congress I spoke in favor of calling in an official receiver who would carry out the whole procedure according to the statutory protocol, with all the necessary formal inventories and reports. This did not happen. However, it would be not entirely correct to say now that it was completely to our disadvantage, either. Tens of thousands of salaried PZPR employees received their statutory severance pay and other benefits to which they were entitled. The PZPR debts were cleared. We carried out two party campaigns, which cost a lot of money. To these campaigns we owe the fact that we are present on the country's political map, and that we won seats in parliament as a result of a democratic election. By contrast, the fate of Tadeusz Fiszbach's Polish Social Democratic Union [PUS] is common knowledge. In their case, the lack of funds was not without significance, either.

[Socha] The legacy you inherited from the PZPR meant not only the material assets but also the people—who were partly in favor of a reform, too.

[Oleksy] The Warsaw press persisted doggedly in highlighting the theme of the apparatchiks against the 8 July Movement—the reformist movement within the PZPR prior to latter's dissolution. However, that is not a

justifiable distinction. For example, I am defined as an apparatchik, though in my heart and in my convictions I have never been one. I would not have been a good member of any rigid structure. I am too independent by nature, and I do not yield easily to being molded to a required shape. Moreover, in view of the present situation of, say, pensioners, or work forces in Warsaw enterprises, many former revisionists are today beginning to turn toward the ideology of democratic socialism.

[Socha] What do you understand by the term of "true" social democratic movement?

[Oleksy] A political orientation that accepts the market economy system, having renounced all secret longings for a democratic version of real socialism. I belong to the group within our party which opts for the former version, though I am not persuaded that it will prevail. Depending on the situation in the country, the populist-revindicationist tendency may yet win the day, and then we will be in the minority. In addition, we are after a system that recognizes the principles of social justice, protection for the weakest members of society, and the necessity of justified state control and intervention.

[Socha] What is the approximate ratio of the influence commanded by the two groups? How big a proportion of the whole is taken by the fluctuating middle group?

[Oleksy] I will not answer these questions because it is not a confrontational configuration of forces. The particular fractions are not at war with each other. On the other hand, we expect that an eventual turning point will occur some time soon. It would be advisable to convene a congress as soon as possible, so that the problem of the party's identity is definitively resolved. Until now, successive election campaigns took up our time and we could not attend to the question at length. On the other hand, attacks directed against us by right-wing Solidarity forces resulted in a consolidation of our position by the individual groups within our party.

[Socha] So you were united by fear of a common enemy?

[Oleksy] Maybe not so much fear as a sense of threat, because we were all attacked with equal vehemence. I believe that the dialogue with the left-wing orientation, and also the dialogue within that orientation, will take a completely different turn once a more wholesome configuration of political forces finally emerges in Poland—assuming, of course, that it does emerge at all.

[Socha] Do you believe that it is possible for your party to devise and carry out an action campaign to get rid, at least partly, of the ballast of the past?

[Oleksy] I have often thought about what course of action the SdRP should take, and what declaration it should issue, to force our adversaries to stop attaching misleading labels to our party. I am prepared to go to great lengths, even to agree to apologize, if they, in turn, agree to regard it as an act of retribution. However, I do

not believe that there is a genuine call for such a demonstrative gesture on our part. In any case, we have made quite a few such gestures already. Anyone who takes care to read carefully though our program statements will find it all there: an unqualified condemnation of Stalinism, Soviet domination, and the Katyn genocide. We hesitated before declaring a condemnation of the declaration of martial law, because that issue does not lend itself to an unambiguous assessment. All in all, I believe that the fact that we are being branded and condemned to political isolation is not a consequence of our alleged failure to "cleanse" our image thoroughly enough.

[Socha] So what is the real reason?

[Oleksy] The real reason is the underlying principle of current political strategies obtaining in Poland. It is a weapon used by groups who rely in their propaganda methods on highlighting their own shining positions against the background of other parties' alleged murky past. If only the more sensible political parties, such as the Democratic Union, the Liberals, and the Beer Party, were to acknowledge among themselves some day that it is in Poland's best interest to stop the strategy of political isolation directed against the SdRP, they would be able to put a stop to it without any problems. The necessary talks and debates could take a month or so, and then there would be time for concrete action. After all, time is a great healer.

[Socha] So how long do you think it will take before the SdRP's public image acquires a positive valuation?

[Oleksy] This depends precisely on other parties' attitude toward the SdRP. If this attitude remains predominantly manipulatory, then the isolation could last a very long time—until the SdRP ossifies into an ineffectual opposition structure popularly dubbed "communist" and commanding some 10 percent of supporters. The West plays a certain role in this, too. This is because, to begin with, the Socialist International delayed recognition of our party, claiming that they must wait until after the election. Now the election is over, we won a reasonably good position, but the Socialist International is still silent. Apparently it has its own problems to contend with, and moreover it has been listening to our domestic adversaries' propaganda. At European congresses, Polish social democratic parties are represented by Professor Bronislaw Geremek.

My main worry is that the SdRP may end up with the role of a living museum of social democratic thought, which could even gain a relatively large percentage of votes in elections, but which would not be regarded any more by the public as a dynamic, stimulating force capable of full participation in the processes of shaping the country's life.

[Socha] I believe that there is another, perfectly real danger looming over the SdRP than the threat posed by its current, forced political isolation. Even if the SdRP itself shows predominantly social democratic tendencies,

public opinion surveys carried out with the participation of SdRP supporters have shown that the latter are reluctant to accept privatization, the influx of foreign capital, or a market economy; in other words, they reject the whole package which is supposed to provide the basis for our new socioeconomic system.

[Oleksy] Our electorate is made up of people who have been heavily disadvantaged at the very outset of the new market economy system.

[Socha] And that is presumably why they are nostalgic for "the good old days," is it not?

[Oleksy] Not only that. Public opinion surveys carried out by the Infas agency after the election suggested that only 30 percent of former PZPR members voted for us. Some decided that we were traitors because, in their opinion, we should not have disbanded the PZPR and renounced our ideology. That group voted either for Party X, or the Confederation for an Independent Poland [KPN], both of which are radical groups which give their members a stronger sense of a fighting spirit. Others leaned in the direction of the more genteel and staid Democratic Union, hoping that they would be less threatened under its rule, because it would be sure not to opt for any extreme views or methods. Yet another group refused to vote altogether, because they were on the whole highly disappointed, stressed, and disillusioned.

[Socha] Whom did you win over to your side?

[Oleksy] A significant proportion of retired people. Moreover, quite a lot of voters from intelligentsia circles decided in our favor, which was a most welcome surprise. We are not very well represented among students, but they have recently increasingly distanced themselves from political involvement. The majority of political groups have failed to reach them.

[Socha] Let us try to gaze into the future. What does the left-wing orientation fear the most? Right-wing rule or an authoritarian government?

[Oleksy] The one could be identical with the other. I believe that authoritarian rule would harm Poland quite badly.

[Socha] Would it harm your party?

[Oleksy] Why should it? We would then find ourselves in the same camp as a great many groups opposed to such a rule. Of course, to look at it in a more lighthearted manner, a little bit of martyrdom would not do us any harm whatsoever. After all, everyone around prides themselves on their "martyred" past, whereas we cannot lay claim to any such distinction. On the other hand, right-wing democratic parliamentary rule would undoubtedly be a much worse option for our group. Experience suggests that such a rule would concentrate mainly on the theme of settling scores, looking forever back to the past, and seeking the recipes for the future in the past—and we know that such maneuvers are purely self-deceiving and illusory. Authoritarian rule would be

quite dangerous for us as well as for many other larger groups, but this would be for other reasons.

[Socha] Which option seems the more probable in your opinion?

[Oleksy] The most probable outcome is, after all, presidential rule. We will judge its effectiveness together with other parties, and we will try to make sure that it does not eliminate the principles of democracy and the role of parliament. We could say that the optimum definition of presidential rule is a strong executive power, without giving up the principles of democracy or the role of parliament. It is simply essential to justify the presence of a strong executive power. However, this does not necessarily give the latter a mandate for authoritarian rule. As a party of the social democratic left orientation, we declare in favor of a healthy parliamentary democracy and a rule-of-law state.

#### Reasons for Slow Rate of Restructuring Presented

92EP0534A Warsaw GAZETA PRZEMYSLOWA I HANDLOWA in Polish No 24-25, 14-28 Jun 92 p 3

[Interview with Stanislaw Padykula, deputy minister of industry and trade, by Andrzej Kalinowski and Henryk Nakielski; place and date not given: "Let Us Hope"]

[Text] [GAZETA PRZEMYSLOWA I HANDLOWA] Mr. Minister, restructuring is slowly becoming one of those words that is frequently repeated and rarely understood. If we go back to the source, it means more or less a rebuilding of the economy, and, in the case of the sector that falls under the ministry, a rebuilding of industry—its ownership, production, and organizational, technical, and financial structure. Therefore, it is an enormous job, accomplished at various levels and by various elements of the management system. The Ministry of Industry and Trade has a role in the accomplishment of this job—not a small role and a very important one. What, concretely, is this role?

[Padykula] It is determined by the means that the ministry possesses, and primarily by the tools given to it by the legislature. The basic tools are the law on state enterprises and the law on the privatization of state enterprises, and also the regulations contained in the commercial code and others, which are applied in coordination with the mentioned laws. They make it possible to restructure industry in two basic ways: by remedial procedures and by liquidating a state enterprise for the purpose of privatizing it. There is still one more form: dividing an enterprise into smaller units, but it is not being used very much now simply because there are not many industrial giants left which would require this type of intervention.

[GAZETA PRZEMYSLOWA I HANDLOWA] The pace of restructuring is not staggering, considering the anticipations and the needs.

[Padykula] First of all, there is a shortage of capital. Domestic capital is minute and foreign capital is barely a trickle. Yet without capital it is hard to change the structure of industry, and not just the ownership structure. The insufficiency of capital emphasizes other insufficiencies, e.g., the insufficiency of our laws. The Polish legal system, although it is being changed and amended, is still based to a large degree on the logic from the previous period.

For example, what to do with the so-called unwanted property, which is the property of enterprises that are liquidated or downsized, is an enormous problem. The supply of this property far exceeds the demand. Some of its elements simply cannot be sold. According to the logic of a market economy, a property is worth as much as someone is willing to pay for it. If something cannot be sold, it should be given away in return for some token fee, or, for that matter, it should be given away for free to someone who can make effective use of it. Jobs and taxes are, after all, an obvious benefit in a situation in which the alternative is the scrap heap.

Our laws, unfortunately, concentrated on protecting public property against appropriation, thus making waste practically unpunishable. The logic of these laws has not changed very much today; conditions, on the other hand, have changed greatly. Restructuring knocks a considerable amount of property out of the production cycle, which creates a potential threat of huge waste. Also, in the area of financial law we have many paradoxes that create obstacles that complicate and hamper the restructuring process. For example, an enterprise which is subjected to the liquidation process for the purpose of privatizing it in accordance with the law now in effect, is still charged all kinds of taxes, interest penalties are assessed, etc. When the liquidation process draws to an end, it turns out that the debt that was owed when this process was begun, has grown to a gigantic size and there is no way in which it can be paid. Who is to assume this debt? All that remains is bankruptcy.

By the way, still another obstacle is worth mentioning, one that, for a change, has a psychological base. It appears in enterprises being liquidated, when the former directors become the liquidators. We have determined that often something on the order of a split personality appears in such a person. He becomes a liquidator who should decisively cut off that which is ineffective and redundant, but he does not stop being a director who tries to keep the largest possible part of the assets. Such actions only prolong the entire liquidation process, and, as a result, increase the losses.

[GAZETA PRZEMYSLOWA I HANDLOWA] Mr. Minister, there are almost as many of these obstacles as there were reasons that did not permit the firing of a salute to honor Napoleon, and basically, after the first, we would already say what Bonaparte said. Lack of money is a large enough obstacle. Does the ministry have a remedy for this?

[Padykula] How extremely difficult this entire process is and how much capital means in it, is best shown by the example of the eastern lands of the Federal Republic. But this does not mean that capital is an essential and sufficient condition for healing industry. At least a few more indispensable factors could be named—for example, competent management of enterprises.

The ministry is looking for ways to get around those obstacles that became apparent in past practice. I talked about obstacles of a legal nature and we will try to remove them, but, above all, we would like to establish our cooperation with consulting firms—domestic, and primarily foreign, somewhat differently. Their assistance, thus far, has been limited as a rule to creating a so-called business plan. Speaking figuratively: They examined the sick organism, made a diagnosis, wrote a prescription, and that ended their role. Whether the prescription is effective, whether the medicine is available, how the patient is behaving, whether possible revisions are needed remained out of their range of interest.

We want to change this. We want to interest consulting firms in healing our enterprises and not just preparing a business plan. It would also be their task to find a source of financing for the entire remedial program. We expect that in this way we will be able to increase the pace of restructuring and the inflow of foreign capital. In exchange, the consulting firm would be paid in the form of a share in the profits of such an enterprise, or a block of stock should it be privatized.

[GAZETA PRZEMYSLOWA I HANDLOWA] Will you be able to find people willing to do this?

[Padykula] There is some interest, although right now these are only declarations. Naturally, this is something new, therefore it is hard to predict how it will develop. We are preparing a list of enterprises that we would be interested in restructuring in this form. This relates to the state's industrial policy, whose guidelines form the basis for the formulation of these types of offers.

[GAZETA PRZEMYSLOWA I HANDLOWA] Mr. Minister, restructuring and privatization have been functioning for a long time as key words to a successful future. Yet the enterprises who were the first to be privatized are not shining stars on the stock market and no miracles have happened in them. The restructured "Ursus" is still sick. What can you tell people who are more and more disappointed with the economic policy?

[Padykula] You gentlemen are linking two matters which are not completely identical, although unquestionably there is a connection between. Restructuring and privatization change the shape of industry and its structures, adapt it to the standards of a market economy, give the enterprises the flexibility indispensable for normal market transactions. But this does not mean that an enterprise in a new form will be immediately successful. We are in a deep crisis which is caused not just by the

structure of our industry and the inability of our enterprises to adapt to the conditions of a market economy. The economic system with which Polish industry was closely tied for years, has collapsed. The markets, for which it worked, have collapsed. The domestic market has collapsed, or at least has been badly shaken—partly as a result of our mistakes, but mostly because all of the normal laws and mechanisms were restored in it. In returning to normalcy, the market revealed the actual state of our industry, its weaknesses. It is true that the privatized enterprises are not stunning successes, but they are still keeping their heads above water, working, learning, and I am convinced that if economic conditions improve, they will move forward. "Ursus" has not yet lifted itself up, but after all, its structure, inflated beyond all measure, caused it to simply sink. In its previous form it had no chance at all. It was time to come down from the clouds, restore to it a form by which it could move and operate in a free market. We must remember that, in the near future, we will have to slowly remove tariff barriers from our borders and stand face to face with our Western producers. If our enterprises are not equally flexible and resilient, they will die.

[GAZETA PRZEMYSLOWA I HANDLOWA] Aren't most of them doomed to it?

[Padykula] Certainly in many cases we will not be able to cope. We lack capital, skills and a few more elements. We must remember that today, throughout the world, it is not a problem of production, but of sales, squeezing ourselves into a market in which there are no vacancies waiting for us. That is why we must be aware of the role that Western capital has to play in our country. Without its force and dynamics, we will not be able to cope in many fields.

[GAZETA PRZEMYSLOWA I HANDLOWA] At one time it was said that everything depends on the people. What is your opinion of the changes now being made, or at least should be made, in the awareness and style of action of our management?

[Padykula] Naturally, they are not being made uniformly. There are examples of changes that are very constructive and there are those that attest to a lack of almost any kind of change. We see this in practice, when two comparable enterprises begin to go in two different directions—one is lifting itself up, the other is sinking. This applies not only to people on the middle-management level. All of us are learning and everywhere this is sometimes easier, sometimes harder. It seems to me that the problem is that for many years we, as a society, were taught not to be active, not to take risks. We were deprived of self-confidence, independence in decisionmaking. The prevailing attitude continues to be passivity, waiting for instructions from above, unwillingness to take independent, risky, action. At the same time I am extremely surprised at something else that I see in many experienced directors and managers: their skill in conducting something on the order of palace games—intrigues, the contests being played out in the workplace

by different interest groups. In short, the skill at defending their own jobs and positions. That, too, is a value that was once acquired.

[GAZETA PRZEMYSLOWA I HANDLOWA] Doesn't the situation now prevailing in the enterprises not preserve these attitudes? After all, a director always has a few power givers, whose rights and interests are frequently conflicting. Of necessity, the workers councils and trade unions must be closer to him than a hypothetical owner. He is more worried about what will happen in two months than in five years when the borders begin to open up.

[Padykula] That is why we see a need for universal commercialization, facilitating a move to a management system that is correct for a commercial law company. But we must realize that we will not free ourselves of pressure from trade unions so quickly, because that is a question of a certain habit, as well as the difficult financial situation that the people find themselves in. At the same time, we already see that where the situation in an enterprise is beginning to improve, where the proverbial light at the end of the tunnel is appearing, the people

are becoming less impatient and are more inclined to compromise. Also, I do not have to add how important patience is in the rebuilding process, how so many of the best ideas and plans can be destroyed by lack of it.

[GAZETA PRZEMYSLOWA I HANDLOWA] Mr. Minister, a factor which is no less important in the process of rebuilding is information. We talked, for example, about unwanted property, about preferences resulting from industrial policy. When a potential investor will be able to learn, in one room, what is available for sale, where he can invest with the expectation that he will receive preference, etc.

[Padykula] We are not hiding this information under a bushel, and there is no problem in obtaining it. We even make it easy to get into our plants, and we give all kinds of assistance. Unfortunately, the information system about which you gentlemen speak is not just a matter of goodwill or awareness of its importance. It is primarily a matter of time and money. There is a lack of good, detailed, and complete information, organized in one cohesive system, and we know this. I can only add that everything begins with awareness, and so, let us hope.

**Albanian Policy, Border Incidents Condemned**

92BA1274F Belgrade VOJSKA in Serbo-Croatian  
23 Jul 92 p 42

[Article by Tihomir Stojanovic: "They Are Not Backing Off the Policy of Expanded Albania"]

[Text] At last year's 41st regular meeting of the Main Yugoslav-Albanian Joint Commission for Border Incidents, it was pointed out to the Albanian delegation in the harshest terms that it has an obligation to respect and strictly enforce the international agreement on measures to prevent and settle incidents on the Yugoslav-Albanian border. The Albanian side pretended to amicably accept our well-founded warnings and, in addition, after expounding on the difficulties in achieving the agreed border regime, it promised to do everything to bring that regime about.

Instead of the agreed border regime taking on life after the meeting, cases of vandalism, which have not been recorded since World War II on anyone's national border, began to be done from the Albanian side. First, Albanian citizens began to move, damage, and destroy boundary markers. The official authorities of Albania have maintained a stubborn silence in response to all our protests.

During the first six months of this year, the Albanians committed almost 40 serious border incidents in which our border guards were forced to use firearms.

At the same time, our border guards prevented about 230 persons crossing illegally from Albania into Yugoslavia and some 15 attempts at illegal crossing in the opposite direction.

**Organized Theft**

On the first day of April this year, our border guards caught five Albanian citizens cutting timber deep into our territory. Just three days later, a large group of Albanian citizens attempt to cross the border forcibly. The warnings of our border guards were of no help; they were compelled to open fire in order to interdict those unauthorized actions on the border. Three Albanian nationals were killed on that occasion. Just one day later, almost at the same spot, our border guards again prevented a group of Albanian nationals from forcibly crossing the national border. The official Albanian authorities are simply driving their citizens into the guns of our border guards so that later they can accuse Yugoslavia before international forums.

On 5 May of this year, our "Djeravica" Watchtower, the border unit Djakovica, was plundered and demolished by Albanian nationals. On 13 April, two rounds were fired against our border patrol from Albanian territory. On 11 May, Albanian citizens entered our territory in a sizable group. When they were warned by our border authorities, they immediately opened fire. Some 10 days later, fire was opened on our border guards from Albanian territory. This was repeated on 28 May.

On 5 June, three armed Albanian soldiers and one civilian entered our territory driving livestock. After the prescribed warning, because of the heedless persistence of the Albanians, they were forced to use firearms. On that occasion, one "illegal" was wounded, and the others fled back.

Unprecedented vandalism and also great arrogance was displayed by an Albanian "illegal" when on 17 June he crossed the border and tried to steal a horse from our watchtower. He tried to flee, but the border guards prevented him by using firearms. Some 10 days after that occurred, two armed Albanian border guards crossed onto our territory. When they saw our border guards, they immediately opened fire. Our border guards managed to capture one Albanian soldier, disarmed him, and turned him over to law enforcement agencies. The other fled.

**Smuggling on the Border in Montenegro**

By contrast with the section of the national boundary that stretches along Kosovo and Metohija, on the border with Montenegro there has been flagrant armed assaults on our border guards. However, the problem arising there is the organized smuggling of livestock, foodstuffs, and petroleum. It all began last year when the farmers' cooperatives were disbanded in Albania. The peasants, depending upon the number of members of the household, were allocated several head of cattle and a few sheep and goats. In an agreement with "our" smugglers, primarily with Skipetars from our border area, the smuggling of livestock over the border began to flourish. Later, there also began to be smuggling of foodstuffs, primarily powdered milk, which had been stolen from government warehouses and humanitarian aid that had arrived. Recently, attempts have been made to smuggle petroleum. For the moment, our border guards and law enforcement agencies have been successfully shutting off those channels.

Pursuant to the provisions of the Agreement on Procedure of the Local Joint Commission in Cases of Murder, Wounding, or Injury of Military Personnel and Civilians, concerning all the border incidents, including those with tragic consequences, our local joint commissions have urgently and in compliance with the agreed procedure, requested a meeting with the Albanian side, a joint inquiry, and then settlement of the incident. However, the Albanian side has not responded to those calls. This June, the 42d regular meeting of the Main Commission was to be held on the territory of Albania. The invitation from the Albanian side never came. All of our attempts through the Federal Secretariat for Foreign Affairs and the chairman of the Yugoslav section of the Main Joint Yugoslav-Albanian Commission for Investigation and Settlement of Border Incidents to sit down at the table and analyze and investigate border incidents (including those with grave consequences) have so far gone without any responses from Albania's officials. One gets the impression that Albania is deliberately sacrificing its citizens by sending them to heedlessly "destroy" the

national border and to ignore the agreed border regime, so that our border guards, in order to interdict flagrant violations of the border regime, will be forced to use firearms, so that official Tirana can accuse Yugoslavia in international organizations, above all in the Conference on European Security and Cooperation.

It should be said in conclusion that official Albania obviously does not want to respect the documents (agreements) that pertain to the common national border that at one time they signed. In so doing, it is also not respecting the existence of the Federal Republic of Yugoslavia, a state with which it must be neighbors, whether it likes it or not. It should also be mentioned that the present border was defined and marked in the period between 1913 and 1926, that it has not been changed, and that must also be clear to the Albanian side.

It alters nothing for the Federal Republic of Yugoslavia that the Albanian border is now secured by Italian Carabinieri (about 10,000 men) nor by the presence of members of the American forces, who are allegedly merely providing security for the rendering of "humanitarian aid" to hungry Albanians. Our border authorities will continue to guard the state border in keeping with our regulations and needs. This must also be clear to our "good" neighbors, the Albanians.

**Hercegovina Commander on Croatia's Aggression**  
*92BA1274E Podgorica POBJEDA in Serbo-Croatian*  
27 Jul 92 p 3

[Interview with Colonel Radovan Grubac, commander of the Hercegovina Corps, by Popovic in Bileca on 26 July: "Croatia's Aggression"]

[Text] In recent days, five brigades of the Croatian Army [HV] have been attacking from Dubrovnik in the direction of Trebinje, with the intention of reaching Trebinje in order to continue action toward Konovale and the Boka. It would be a great success for Tudjman if Konovale were taken just before the election. There is not even a theoretical possibility of countering them directly; there is only one road that is only five meters wide, and there is no other way they can go. They had to open a corridor in the direction of Trebinje—they were hoping to repel our forces and to head for Konovale via Zubac and the Zubac hills, Colonel Radovan Grubac, M.A., commander of the Hercegovina Corps, said today in his first public statement.

"It is no wonder, then, that in its open aggression against Hercegovina, Croatia has committed its army from Varazdin, Zagreb, Sisak, Rijeka, Zadar, Sibenik, Split, Imotski, Makarska, and Dubrovnik. Since the withdrawal of the JNA [Yugoslav People's Army] from those areas, Hercegovina has been defending itself incessantly against regular units of the Croatian Army, Ustasha units from Hercegovina, and Muslim units from the areas of Mostar, northern Hercegovina, and the Drina Valley. These three armies are operating in concert, and there is

heavy fighting here for survival of the Serbian people on its territory. Hercegovina will be defended, that is certain, but the question is how," the commander said, adding that Hercegovina has never in his lifetime been so threatened and that now there are two uniforms in it—the military uniform and the mourning uniform.

**It Is Not Easy....**

"Hercegovinians have never been left alone; they have always relied on the Montenegrins. This time, following withdrawal of the JNA, they have had to stand alone both at the approaches to Trebinje and at the approaches to Nevesinje.... It was not easy when the former JNA withdrew. It was hard on the people, especially when that line opened up from Slano to Dubrovnik. When it left, the JNA also left behind an unorganized people. I must make that reproach of my fellow soldiers," the commander said, explaining that in view of everything it is "no wonder that fear crept into the people at that time. Nevertheless, units of the Hercegovina Corps hold the major portion of eastern Hercegovina under their control. Certain parts of Trebinje Opstina and a part of the territory along the Neretva that is historically Serbian—the villages of Tasovnici, Klopici, Prebilovci, and Dubrave—are outside the control of this corps. The town of Stolac and the east bank of the Neretva River are under control of our soldiers, which means that they mainly control that portion that is Serbian. We have also managed to break up the third front, at the price of great efforts to be sure, the local Muslims who struck from within. It no longer exists except in the area of Gorazde," Grubac said.

Recalling recent battles, the colonel said that his army had simply scattered the Croatian Army, which was making an assault from Dubrovnik on Trebinje. This is clear when even Radio Zagreb admits that they had about 400 killed. We have also fought them fiercely in recent days on various sides of Mostar and around Mt. Velez, where the Muslims, whom we fed for months, struck us from the rear. In three towns, the Croats had three days of mourning because of the casualties in the Dubrovnik section.

"In Split, Makarska, and Sibenik. This was later confirmed to us by their prisoners who are now in our collection center. They usually avoid a general mourning, fearing the public's reaction, but this time they had no choice. When the JNA was waging war against them, they had no such days, that is the truth, and it should be said, just as it should also be said that many Hercegovinians, instead of defending their land against aggression of the Croatian boot, have fled to Montenegro, Belgrade, or Vojvodina.

"Some are standing in refugee lines and waiting for food, and some of them, by God, have done pretty well for themselves. Others, their comrades and neighbors, are here defending their land and house and dying honorably. I am afraid that the best of Hercegovina will die. Unfortunately, there must be casualties, but the people

are convinced, and that is how it has been in history, that whoever defends what has been his since ancient times must in the end be successful."

#### Immorality or...

"We officers of the former JNA, now the Yugoslav Army [JA], are also convinced of this—those 50 of us from Hercegovina who out of the 1,000 have come to defend our land. We responded to the call of the homeland and our ancestors. I cannot understand, for instance, how they can sit in Belgrade while war is being waged in their Hercegovina. Is this the result of the consumer mentality, according to which it is immoral to go to your own village and defend it against the most sinister occupier? The assessment is that there is probably some intention behind that. Almost one-third of those who were supposed to stand at the border to defend the country went off to Yugoslavia. It is also indicative that twice we have had a 'break' in the front with the same unit in the first lines. First they abandoned the direction from Hutovo to Stolac and then they were the first to abandon positions on the right bank of the Neretva near Mostar. But that is the past," the commander said, explaining that Hercegovina's strength lies precisely in its brave men, in its soldiers who are now holding their positions firmly, defending the honor and dignity of Hercegovina and their property, which is scanty anyway.

"We in Hercegovina, unfortunately, still have neither courts nor prosecutors. The force of the law in Hercegovina is the force of the people, and the people usually do not make mistakes," Commander Grubac said.

[Box, p 3]

#### The Last Moment for Return

"We are calling upon Hercegovinians who left their country to be trampled by an occupier and fled to Yugoslavia to return and take up a gun and stand on the border of the homeland. I think this is the last moment for them to do that. In the corps command, we are thinking (and we will do it) of setting them a deadline to return (that is, the last appeal to repair their status). That should be some date in the first half of August.

"After that, the law on compulsory military service will state who is who. Whoever has committed treason will have to be called a traitor, and whoever has fought a hero.

"It really is not clear to me who and what country is going to be defended by that Hercegovinian who has fled and left his own behind. Surely, he is not going to defend Pirot, Podgorica...so these matters are clear," says the commander of the Hercegovina Corps, Radovan Grubac. If all Hercegovinians joined in the fight, Hercegovina would quickly get rid of the occupier, which it must do from the sea to the Neretva, he is convinced.

[Box, p 3]

#### The Croats Are Driving Out Even the Muslims

What are the Serbs in Hercegovina—that is, in Serbian B-H [Bosnia-Hercegovina]—thinking about when they destroy the system of defense of their own people. What are they hoping to get from the Croats, when they have even been driving out the Muslims, their allies, from the Neretva Valley? Surely they do not think that the Ustasha is going to give them a piece of the action. And even if they would, should they betray themselves for a small share of the power? Colonel Grubac wondered.

#### FRY Army Protests Accusations of Aggression

92BA1274G Belgrade VOJSKA in Serbo-Croatian  
23 Jul 92 p 42

[Article by Milan Mijalkovski, M.A.: "The Guilty Are Still Going Unpunished"]

[Text] In any war except a civil war, identification of the aggressor and the victim-defender would not seem to be a problem or ought not to be. However, numerous examples from practice indicate that certain members of the international community have been attempting by an arrogant distortion of the facts to reverse the role of victim and attacker, in which the emphasis has been to "prove" that the aggression was caused by the victim, and in response the aggressor, in order to protect his own security, was "forced" to respond to the challenge. Quite often the victim has been also portrayed as a momentary or potential threat to the aggressor's vital national interests, which is why he has had to be punished.

This kind of behavior of international factors has been manifested in acute form for almost two years concerning the armed conflicts on the territory of the former SFRY. That is, even the preparations of the secessionists for armed rebellion in parts of Yugoslav territory reflected evident efforts to portray the former JNA [Yugoslav People's Army], and through it the former SFRY, as the aggressor. This phenomenon has through systematic coordinated political-media activities of the wreckers of Yugoslavia, following the armed rebellion in Slovenia, and later in Croatia as well, taken on the features of a campaign, which resulted in labeling the former JNA as an aggressor army.

The international precedent that has been made in the case of Yugoslavia, made, of course, under the influence and pressures of the creators of the so-called new world order, has nevertheless proved ineffective in spite of their exclusiveness and determination. Although they knew that this was a typical armed rebellion in order to secede from the parent state (the former SFRY), certain international factors took the side of the secessionists, guaranteeing them the role of the victim. Without a single valid argument, and specifically no legal argument, they ascertained with incredible precision who the

"aggressor" was in the armed conflict between the secessionist rebels and the former JNA (in the mutual confidential talks, sober politicians and soldiers of the creators of the "new world order" have systematically taken the view that in a similar situation their army would have been far more rigorous against secessionists than the JNA was in defending the country's independence and territorial integrity). Whereas on the one hand they have persistently justified the secessionist activities aimed at secession from Yugoslavia, on the other hand they have still more persistently advocated and supported plans to create strictly unitarist and totalitarian states.

#### **An Unheard-of Precedent of the Creators of the "New World Order"**

Nevertheless, the creators of the "new world order" have set an unheard-of precedent never recorded in the history of wars and they have set it with respect to the ethnic war in Bosnia-Herzegovina [B-H].

Flagrantly ignoring experiences from a similar war in Croatia, where the ratio between the nationalities was 75:25, and knowing full well that the distribution among the nationalities in B-H was still more complicated (39:36:17), by premature recognition of the statehood of the unitarist B-H, in which they intend the dominant position for the Muslim nationality (39 percent), they directly provoked the bloodiest ethnic war in the history of the peoples of Europe. By giving their full-fledged support to the truncated Presidency of B-H (they did not recognize the truncated Presidency of the former SFRY), they have systematically encouraged it to plunge to disaster, and that is what really has happened.

Probably encouraged by the fact that war could be provoked under the cover of democratization of former communist regimes, they went even further. That is, they decided to "expose" the aggressor to the world and then punish him. The Federal Republic of Yugoslavia (FRY) was proclaimed Aggressor No. 1 in B-H, although not a single one of its soldiers went to B-H, so that quickly the UN Security Council would adopt a decision to impose sanctions on the FRY. They proclaimed the Serbs from B-H to be Aggressor No. 2. Sanctions against them are in the phase of intensive preparations (the group of warships of NATO and the ZEU [expansion unknown] in the Adriatic are a tangible indicator). Unfortunately, the only and real aggressor against Bosnia-Herzegovina—Croatia—which has a contingent of 50,000 soldiers in B-H, has remained invisible, by all appearances.

#### **The Croatian Soldiers in the "Peace" Mission**

Because not a single unit or soldier of the Army of Yugoslavia is on the territory of B-H, nor is direct or indirect support of combat operations being given from the territory of the FRY to any of the parties to the conflict in B-H, the charges that the FRY is the aggressor are unfounded and untenable. Nor is it acceptable to label the FRY an aggressor on the basis of the armament and equipment which passed from the ownership of the

former JNA into the possession of the parties to the conflict in B-H, because the situation in Slovenia and Croatia, where the rebellious formations captured large quantities of armament and ammunition, also occurred in B-H.

Were it not so sad, calling the Serbian people in B-H an aggressor would be comical. On behalf of the truth, it must be pointed out that during 1991 and in early 1992, while the Muslim extremists under the leadership of the military wing of the Democratic Action Party, the "Patriotic League of the People," and Croatian extremists organized by the Croatian Democratic Community (HDZ) and Croatian Rights Party (HSP) intensively organized paramilitary organizations and armed and prepared for a criminal and genocidal war against the Serbs, the Serbian people of B-H showed discipline in respecting the laws of the former SFRY, and its members by and large discharged their obligations concerning recruitment and mobilization for the former JNA. The consequences of these activities for the Serbian people when the ethnic war began in B-H (4 April 1992) were extremely grave. At that time, the Muslim paramilitary formations numbered about 50,000 men, who were grouped in four divisions, three regiments, 55 units of battalion-detachment strength, 62 units of company-platoon strength, and several dozen special units, while the HDZ and HSP had about 35,000 men grouped in 40-45 units of battalion strength and 20 units of platoon strength. The decision to withdraw the former JNA from B-H came as a surprise to the Serbian people, who were not prepared to defend even their basic rights, much less their own survival. The truncated Presidency of B-H, with the intention of taking advantage of that fact, hastened to adopt the "Directive on Defense of the Sovereignty of B-H," in which without any scruples whatsoever it referred to the former JNA and the forces of the Serbian Democratic Party of B-H as hostile forces, estimating their strength at about 80,000-120,000 men!

Although the creators of the so-called new world order, occasionally and very timidly, express knowledge of Croatia's involvement in the ethnic war in B-H, they obviously do not intend to label it an aggressor as well. The pleadings of certain claimants, those who would draw new maps in the Balkans, that Croatia be equipped as soon as possible with up-to-date quality armament in order to bring the Serbs to their knees, are undoubtedly based on the position that the 20 brigades of the Armed Forces of the Republic of Croatia are on a "peacekeeping" mission in B-H. It goes without saying: Croatia has carried out armed aggression against B-H, but not with the intention of helping the Muslim extremists eradicate the Serbs, nor to protect Croats in B-H, but to completely occupy B-H. Without ignoring the other facts, the captive members of the regular Croatian troops on battlefields all over B-H are an incontestable argument as to who is the aggressor against that republic.

### Congress of Democratic Union of Turks in Macedonia

92BA1199A Skopje NOVA MAKEDONIJA  
in Macedonian 28 Jun 92 p 3

[Article by Y. Mirovski: "From an Association, a Political Party; Second Extraordinary Congress of the Association of the Democratic Union of Turks"]

[Text] *There is a need for a more organized national orientation. The Turks need to be viewed as an equal national community in this society. The proclamation of a civic association in and of itself cannot eliminate the interest in nationality questions as a matter of priority on a longtime basis.*

Yesterday, the Association of the Democratic Union of Turks [DST] held its Second Extraordinary Congress, at which this association was transformed into a political party—the Democratic Party of Turks.

The congress, in which 210 delegates from all community centers participated, welcomed the representatives from the Workers Party of Macedonia and the Albanian PDP [Party for Democratic Prosperity] and the NDP [National Democratic Party]. The League of Vlachs, the Party of Democratic Action, and the *meshinat* of the Islamic Community of Macedonia, Suljman Redzhepi, extended a greeting to the participants and the guests.

Turning to the need for transformation into a political party, the chairman of the association, Avni Enguli, in the introductory report, called "The Main Principles for the Transformation of the DST," emphasized that now there is a need for accenting the national interest, while earlier the Turks did not adhere to the thinking that, in the period of the creation of a pluralistic democracy, it was necessary to form their own national party. He added that this "rethinking" came from the desire to not be subjected to a limitation on freedom of thought, and that everyone need not think politically the same. In our opinion, he emphasized, the Turks have to appear to be an equal national community in this society. From this comes a reason for expressing our need to ensure a proper position for us within the framework of the general development, finding proper courses to pursue, and the realization of our rights, which are not being fulfilled, and, in this regard, examining the new ways in which Turks are treated. Enguli added that our cultural development and, in this particular sphere, education, the use of the Turkish language and writing, publishing, and information activity, with their great influence on the general culture, are problems of a national nature that need to be solved. We in the DST feel that these problems, instead of being solved, are being increased even more.

The transformation of the DST into a national party is not intended to turn it inward upon itself, but it proceeds from the desire to form an organization that will deal with nationality problems more strongly and with greater political responsibility. Efforts will continue to

protect the rights of the Turks. "The answer to why we are transforming ourselves from a political association into a traditional party is to be found in the need to emphasize the national community of the Turks; they should be included as equal citizens in the social-political community of Macedonia, examining their national rights within the framework of this community in order to preserve their identity and not to let it be forgotten that they are a constituent element of this society," Enguli emphasized.

The proposal-program of the Democratic Party of Turks was explained by Mugbil Beyzit in the introductory remarks and in the explanation for the transformation into a political party, concerning which an interesting and exhaustive debate developed in which a small part of the Bitola society endeavored to keep this organization as an association (only six delegates voted against). Emphasizing that nationality questions recently have become priorities in the programs and practical activities of all political parties and associations, he pointed out that this situation is continuing even today, with an even more stressed orientation in political activity. The proclamation of a civic association in and of itself cannot eliminate interest in nationality questions as a matter of priority and the realization of the rights and freedoms from these areas on a long-term basis.

The participants in the congress adopted the Statute and the Program of the Party, in which, among other things, it is emphasized that the Democratic Party of Turks will work for a free, sovereign, united, and independent Republic of Macedonia and for the defense of its territorial integrity and equality of the citizens before the Constitution and laws. These documents also emphasize that administration of justice should be a moral and professional goal of the government agencies and public institutions in order to promote the national identity of the Turks because it is emphasized that the Turks, through their participation in the social and political system, will be an element of stability in international relations.

There was an exhaustive discussion at the congress, carried out in the Turkish and Macedonian languages, and a simultaneous translation was provided. Fifteen members of the Central Committee were elected.

### Serbian Managers Support Social-Democratic Party

92BA1275C Belgrade NIN in Serbo-Croatian  
24 Jul 92 p 20

[Article by Rade Rankovic: "Nucleus for a Split"]

[Text] *The Social-Democratic Party first obtained supporters in the Serbian National Assembly and will only later on obtain a seal and a sign. The detail that explains the illogic is the situation in the SPS [Serbian Socialist Party].*

The beginning was not very promising. It all resembled the usual internal party skirmish that the people in the SPS leadership can cope with. Half a century of rule and the perfectly established mechanism for maintaining the status quo gave Mr. Petar Skundric, the SPS's general secretary, the right to state that "nothing spectacular is happening" in the SPS.

Nevertheless, at the end of last week, one more deputies' club, the sixth one ("the independents"), was founded in the Serbian parliament, the nucleus of which is composed of six former SPS deputies. In the meantime, they have been joined by one more party colleague, as well as several deputies with other orientations (the group of citizens, the SDS [Social-Democratic Party], and the National Party), thus meeting the condition of at least 10 signatures for the formation of a deputies' group.

The first (public) meeting of the initiative committee for forming the Social-Democratic Party was also held on Monday in Jagodina. A declaration was issued with the main principles of the party's program, and the public was informed that the founding assembly of the SSDP [Serbian Social-Democratic Party] should be held soon (in the first week of September).

The connection between these two news items is hidden in the word "social democracy," since, as the "disobedient" deputies of the ruling party have emphasized the whole time, their ideological orientations are along social-democratic lines. As it turned out later on, the six former SPS members are among those responsible for the action to create the new party.

It must be admitted that for a long time this story resembled a classic party quarrel, up until the moment that other figures, primarily Cedomir Mirkovic, a former director of Belgrade Television, also became involved in the "game."

The first news item in which Mirkovic was mentioned as a candidate for president of the SSDP sounded surprising, but Mirkovic himself confirmed that it was completely true. He furthermore explained certain details—that the new party would adhere to the basic principles of European social democracy applied to our conditions, and that their goal was to associate people with prestige and dignity with them as guarantees of implementation of the party program; the most interesting of all was the preparations for the upcoming fall elections.

The answer to the question of how seriously the Social-Democratic Party can participate in the electoral race is a manifold one. It talks about its strength and support "in the masses," about ties with the Socialist Party but also with the opposition parties, about future work in the parliament, about its attitude toward Milan Panic and the federal government....

The only thing that is unambiguously clear is that the new party first gained adherents in the Serbian National Assembly, and that it will only obtain a seal and sign

later on. This detail, however, is closely associated with the situation in the SPS, which gave rise to all the subsequent events.

In fact, it has become clear to everyone that something in the ruling party has to be changed. How fast and how "deeply" was the occasion for the split. The group publicly called "dissident" demanded personnel and program changes in the SPS's work, and the deadline was "immediately."

They felt that the hard core had to leave the leadership of the party in power, and they furthermore did not hesitate to name it: Dr. Borisav Jovic, Academician Mihajlo Markovic, Dr. Peter Skundric, Aleksandar Bakovic.... In a private conversation, some "dissidents" did not even spare President of the Serbian Republic Slobodan Milosevic.

Realizing that things were getting seriously out of hand for it, the "empire" returned the blow. Meetings of the SPS executive committee and meetings of the socialist deputies' club are being held, at which an attempt is being made to "cushion the swaying." The final result turned out to be a halfway one: The group of dissidents has been cut in half, and six of the 12 that there were in the beginning are left.

That was still not enough to keep the scandal from becoming public, however. The six "dissatisfied" SPS members are finding sympathizers and registering their own club, but sparks started to fly in the SPS deputies' club as well. Trouble is starting between the club and the party's leadership, and the crowning proof is the SPS deputies' demand that the party congress be held as soon as possible (and by no means at the end of October, as proposed and adopted by the executive committee).

Perhaps the heaviest blow to the leaders of the party in power is the statements by other deputies as well (those who have remained loyal to the party), who are admittedly still "anonymous," that the SPS's hard core has to go, and that Prime Minister Radoman Bozovic is making bad moves.... They think, however, that this has to be resolved within the party itself, and by no means in the way chosen by the "dissidents." All of this promises a "hot" congress....

As stated by the former SPS deputies (the only thing still disputed is whether they were expelled from the party or left it themselves), after everything that has happened to them, they do not believe that the changes will be successful; the "hard core" will suppress demands for democratization.

Although the SPS's program can also be arbitrarily classified under the term "social-democratic," Milan Svabic, a deputy from Arandjelovac and one of the six who created the new deputies' club, is also warning about a serious difference: ownership. While the Socialist Party is still tied to social property, his future party "is washing its hands" of "the Yugoslav form of property" and exclusively advocating private property. He also added

that Yugoslav Prime Minister Milan Panic has thus gained "his own" deputies' club in the Serbian Assembly.

Also interesting, therefore, is Cedomir Mirkovic's claim that the idea of social democracy has received great support among businessmen, or in the terminology of the Western world, managers.

After all this, the initial criticisms from those who doubted the sincerity of the "dissidents" ("Sloba is behind everything and is thus creating a retreat for himself") seem to be nullified. Dr. Ilija Rosic, the rector

of Kragujevac University, only smiled at these questions, not wanting to comment on them.

As circles close to the initiative committee for the formation of the SSDP, there will be more surprises, most of all regarding the "personnel" (people) who will join the Social-Democratic Party. Individual prominent names from the ranks of the opposition are also being mentioned.

And no one is paying serious attention to the criticisms from the Yugoslav Social-Democratic Bloc. "All of them together have five members," someone said.

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